

# Social Construction of Older Workers: The Experiences of Aging under the Institution of Lifetime Employment in Japan

Author: Masa Higo

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Boston College  
The Graduate School of Arts and Sciences  
Department of Sociology

SOCIAL CONSTRUCTION OF OLDER WORKERS:  
THE EXPERIENCES OF AGING UNDER THE INSTITUTION OF LIFETIME  
EMPLOYMENT IN JAPAN

A dissertation

by

MASA HIGO

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for the degree of

Doctor of Philosophy

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**Social Construction of Older Workers:  
The Experiences of Aging under the Institution of Lifetime Employment in Japan**

MASA HIGO

Dissertation Committee:

John B. Williamson, Ph.D.

Natalia Sarkisian, Ph.D.

Marcie Pitt-Catsoupes, Ph.D.

**ABSTRACT**

Today, against the backdrop of the demographic pressures to delay the retirement of older workers, sociologists of aging have begun exploring the impact of national labor market institutions on individual workers' experiences of aging. Using semi-structured, life story interview data drawn from a sample of 52 male workers in the Tokyo area (born between 1940 and 1953), this dissertation research has contributed to uncovering the ways in which the institution of *lifetime employment* – the most foundational labor market institution of contemporary Japan – uses *age* to control individuals' perceptions and behaviors over the course of their working lives. This dissertation research includes data from *pre-mandatory retirement older workers* ( $n=29$ , aged 55-59) and *post-mandatory retirement older workers* ( $n=23$ , aged 60-68). Based on a social

constructionist perspective, this dissertation research has explored three areas of these workers' experiences of aging over the course of their working lives: (1) perceived instances of being subjected to age discrimination; (2) changes to their attitudes toward these age discrimination experiences; and (3) changes to their self-concepts as workers.

A series of thematic data analyses of the interview data, drawn with a life course approach and a grounded theory method, has generated two sets of findings. First, the *pre-mandatory retirement experiences of aging* of the interview participants (n=52) have contributed to uncovering and describing a social process through which 'older workers' are socially constructed within the institutional framework of lifetime employment. Second, the research has found that after mandatory retirement, the *post-mandatory retirement workers* (n=23) rejected the label of 'older workers' and critically viewed lifetime employment as a 'total institution' (Goffman 1961), essentially an institution of social control, harmful to workers in their later working lives. This dissertation research has contributed to the literature by demonstrating that the lifetime employment institution in Japan serves as an intensive age-based social control mechanism that has constructed and reproduced 'older workers' in the country's labor force. Based on the findings of post-mandatory retirement experience of aging, this dissertation research also suggests that the Japanese government should find ways to mitigate the social exclusion, marginalization, and stigmatization that workers experience in their post-mandatory retirement working lives.

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Masa Higo

## **CHAPTER ONE:**

### **INTRODUCTION**

#### **1.1. Synopsis of CHAPTER ONE**

The aging of the population and the workforce projected for the decades ahead is pressing most industrialized countries today to prolong the working lives of older workers. Over roughly the last decade sociologists of aging and the life course have begun exploring the ways in which national labor market institutions shape individuals' experiences of aging over time. The goal of their research is to develop a body of knowledge about institutional factors in the workplace and in the labor market that contribute to generating and reproducing age barriers to older workers' continued employment beyond conventional retirement age. To date, much research has focused mainly on national labor market institutions in Anglo-Saxon countries – the U.K., U.S., and Australia in particular.

This dissertation focuses on *lifetime employment*, the most foundational labor market institution in the postwar history of *Japan*. Over the last few decades Japan has experienced the world's fastest population aging and anticipates a more severe workforce shortage than most other industrialized countries in coming decades. Under the lifetime employment institution in Japan, workers are typically employed immediately after the completion of their schooling, and they stay with the same employers until mandatory retirement. In contrast, due mainly to an at-will employment institution, the labor markets of the Anglo-Saxon countries are characterized largely by high labor mobility and short job tenure by international standards. Due mainly to the lifetime employment institution, the

labor market of contemporary Japan casts itself as a clearly contrasting labor market model compared to the Anglo-Saxon counterpart. The lifetime employment institution in Japan has long been discussed particularly in management and institutional economics literature in Western Europe and North America. To date, the literature has focused primarily on the structural dimensions of the lifetime employment institution: public policies and employer practices developing and reproducing the institution. These structural factors are understood as a set of key institutional arrangements that have contributed to propelling the country to becoming one of the largest economies in the postwar world scene. However, markedly understudied in the literature are individuals' experiences of working under the institution and those of aging under the institutional influences of lifetime employment in particular.

In this dissertation I ask – *How does the lifetime employment institution in Japan as a set of social structures shapes individuals' experiences of aging over the course of their working lives?* I approach this research question from a *social constructionist* perspective, which presumes that individuals' perceptions and behaviors largely reflect the ways in which surrounding institutions control and organize their lives over time. This dissertation thus explores individuals' life course experiences in the following three age-related areas of their working lives: (1) *perceived instances of being subject to age discrimination*; (2) *changes in attitudes towards age discrimination experiences*; and (3) *transitions of self-concepts as workers* (including self-esteem, subjective age, and age role-identity).

By exploring the experiences of aging as perceived by individuals, this dissertation aims to uncover, albeit in an exploratory manner, the ways in which the lifetime employment institution in Japan as an age-based social control mechanism uses age to

influence individuals' perceptions and behaviors and to facilitate their transitions over the course of their working lives. This dissertation aims to contribute to the body of sociological knowledge on how 'older worker' and 'retirement' have been socially constructed in the labor market of contemporary, aging Japan, to which the literature has paid very little attention to date. Over the last two decades, the lifetime employment institution in Japan has been experiencing a downsizing. This dissertation also aims to generate sources for policy suggestions for those who seek to identify and mitigate institutional age barriers to older workers' continued employment beyond conventional retirement age in the midst of the institutional changes to lifetime employment.

## **1.2. Scope of Research: Aging under Labor Market Institutions**

### 1.2.1. Research questions: How does lifetime employment shape individuals' experiences of aging?

In this dissertation research, I ask a question that has hardly been raised in the literature of sociology of aging and the life course to date: *How do individuals experience aging over the course of their working lives under the influence of the institution of lifetime employment in Japan?* Lifetime employment is the most foundation national labor market institution throughout the post-war history of Japan. The core scope of my dissertation is the use of age under this particular labor market institution. This dissertation aims to uncover the ways in which the institution of lifetime employment, as

a set of social structures, uses age in organizing and controlling individuals' past, current, and future working lives.

### 1.2.2. The background: The aging of the population and the workforce in Japan

Today, the aging of the population and of the workforce projected for the decade ahead has challenged most industrialized countries around the world to find ways to prolong older adults' working lives beyond conventional retirement ages (Hardy 2006; Schulz and Binstock 2008). In the United States, it is expected that over the next decade, members of the baby boom generation will begin retiring in large numbers. The U.S. will lose the services of millions of highly skilled, educated, and experienced workers (Munnell and Sass 2008). Because of the baby dearth that followed the baby boom, there will not be as many new workers to replace the seniors leaving the labor force<sup>1</sup> (Schulz and Binstock 2008).

One way to mitigate such impacts of the demographic changes is to promote older persons' labor force participation beyond conventional retirement age. Research suggests that this goal should be feasible as improved health has accompanied increased longevity and as jobs that require hard physical labor have declined in relative importance (Munnell and Sass 2008). It could enhance the feasibility and attractiveness of working longer to older workers to allow them more flexible work arrangements, such as shorter hours worked and longer vacations (Pitt-Catsouphe and Smyer 2006; Sweet 2007).

---

<sup>1</sup> According to OECD (2008), the average annual labor force growth between the years of 1980 and 2000 in the U.S. was about 1.52 percent; the growth rate is, however, projected to fall to 0.57 percent per year between the years of 2000 and 2020. The figure is expected to further decline to 0.36 percent per year between the years of 2020 and 2040.

Delaying the retirement of older workers and higher rates of labor force participation among older adults would benefit all of the three actors constituting a country's labor market: employers, the government, and workers (Walker 2005). First, to some employers, delaying retirement of some older workers would help them retain work-related human capital such as competitive skills, valuable knowledge, and seasoned experiences in their organizations. This would help maintain or even increase their business vitality in an increasingly competitive global economy today (Pitt-Catsoupes and Smyer 2006). Second, from government's point of view, delaying retirement would help to mitigate forecast workforce shortages in the decades ahead. If more older workers were to remain in the labor force longer than they currently do, it would also help ease anticipated insolvencies of existing public pension schemes and health care programs and to mitigate forecast workforce shortages (Organization for Economic Co-Operation and Development [OECD] 2004, 2008, 2009). Finally, workers too would benefit from delaying their retirement. For those who are willing and able to work beyond the conventional retirement ages, working longer enhance their financial security and opportunities for social participation through work and employment in later life (Munnell and Sass 2008; Williamson and Higo 2007).

According to the United Nations' (2007) classification, Japan became an "aging country" in 1970 when the population of those aged 65 and older accounted for more than 7 percent of the total population. Twenty-four years later in 1994, the percentage had increased to 14.1, which made Japan an "aged country." The speed of growth of this age group in Japan is much faster than that of most other industrial countries; for this age



group to increase from 7 percent to 14 percent of the total population took 61 years in Italy, 85 years in Sweden, and 115 years in France (OECD 2004).

By 2006, this age group had reached approximately 20.8 percent of the population in Japan (26.6 million in number), followed by Italy (19 percent), Germany and Greece (18 percent each) (Ministry of Internal Affairs and Communication [MIAC] 2007b). According to the United Nations (2007), in the following year, 2007, the aging of the baby boom generation further contributed to population aging. Preceding most other industrial countries, Japan has been classified as a “super-aging country,” because more than 21 percent of the total population is age 65 and older.

Japan’s rapid population aging is due mainly to an ongoing decline in fertility coupled with steadily increasing longevity. The estimated average life expectancy at birth of the Japanese in 2007 is 82.02 years, an extension of 20.75 years since 1950. It is projected to be further extended to 85.27 years by 2030 and 87.01 years by 2055 (National Institute of Population and Social Security Research 2007). The total fertility rate<sup>2</sup> has steadily fallen since the baby boom years. The average total fertility rate between 1947 and 1949 was approximately 4.6, and since then, the rate has steadily decreased. The rate went below the 2.08 national benchmark<sup>3</sup> to 1.91 in 1975. According to MIAC (2007), as of 2006, the rate was reported at 1.32, which was among the lowest among the industrial countries. If the fertility rate were to remain the same as in 2006,

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<sup>2</sup> The World Health Organization (2005) defined the total fertility rate as the average number of children that would be born alive to a woman over the course of her lifetime if she were to pass through her childbearing years from age 15 to age 49 experiencing the age specific fertility rates of a given year.

<sup>3</sup> The benchmark fertility rate refers to the number of children which women must have on average if a population is to replenish itself over time (Ministry of Internal Affairs and Communication [MIC] 2007).

about 32.3 percent of the Japanese population would be over 65 years of age by 2050, more than double the 1995 figure of 14.6 percent (MIAC 2007).

The decreasing fertility rate is projected to steadily depopulate the country. The total population of Japan reached its peak of 127.74 million in 2006, and it has started to drop since then as the 1.067 million births were exceeded by the 1.077 million deaths in 2006 (MIAC 2007). Assuming the continued pattern of the current fertility rate and no major change in immigration policies, the total population is projected to decline to 108.25 million by 2050, and 64 million by 2100 (National Institute of Population and Social Security Research 2007). This decline of the total population would directly shrink the size of the country's labor force and dramatically weaken Japan's competitiveness in the future global economy.

Japan anticipates a significant labor force shortage in the decades ahead. From 1950 to 2000, Japan's old-age dependency ratio – calculated by dividing the population aged 65 and older by the working population (age 15 to 64) based on the medium variant projection – dramatically increased from 8.2 percent to 25.5 percent (MIAC 2007). In 2005, Japan's old-age dependency ratio further increased to 30.5 percent, exceeding that of most other industrial countries including Italy (30.3 percent), Germany (28.1 percent), France (25.5 percent), the U.K. (24.2 percent), the Netherlands (20.1 percent), and the U.S. (18.4 percent) (MIAC 2007). According to MHLW's (2007) latest projection, Japan's dependency ratio is going to continuously increase to 36.2 percent by 2010, about 54.6 percent by 2030, and about 76.5 percent by 2050.

The increase in the old-age dependency ratio in Japan is projected to continually decrease the country's labor force size over the next decades. As Figure 1 shows, Japan's

labor force size is projected to keep shrinking by an average of 0.5 percent a year between 2000 and 2020, while those of the U.S., the U.K, the European Union (15 countries), and the average of OECD countries are projected to increase. The projected decline of Japan's labor force size between 2020 and 2050 is more problematic in comparison with other countries' prospects; it is projected to shrink by an average of 1.0 percent a year during this period of time. Although labor force size of the U.K. and the European Union too are projected to shrink (0.2 percent a year for both), the average annual rates of the shrinkages are far more moderate than that of Japan. In contrast, the U.S. labor force size is projected even to increase by 0.5 percent a year during this period of time.

This is the case partly because, over the next few decades, population aging in the U.S. is projected to be much slower than most other industrialized countries including Japan (OECD 2008).

**[Figure 1 goes about here]**

### 1.2.3. How individuals age under a national labor market institution

Against the backdrop of the concerns related to a changing demography of populations and the workforce, the experiences of aging, or those of growing older, have increasingly become an important subject in the sociology of aging and the life course. This is the case particularly for those who study older workers' experiences of age discrimination at the individual workplaces and in the labor market at large (Macnicol

2006; Marshall 2007; Phillipson 1982, 1998). Over roughly the last decade, research has begun exploring individuals' experiences of aging over the course of their working lives. Placing individuals' experiences of aging within the context of work and employment, such research aims to uncover how broader social institutions, such as labor market institutions, use age as a tool to organize and control individuals' perceptions and behaviors over the course of their working lives (Ekerdt, Kosloski, and DeVainey 2000; Hendricks 2006; Tayler and Walker 2005). Of particular importance for such research is to investigate and uncover structurally and institutionally constructed aged-based barriers to work beyond conventional retirement ages. In response to aforementioned demographic pressures to promote longer working lives among older adults, researchers have paid special attention to social structural and institutional barriers to continued employment, often experienced as age discrimination, at the workplace and in the labor market at large (O'Rand and Henretta 1999; Schulz and Binstock 2008).

Sociologists have long defined a labor market institution as a form of social institution. As observed in education, political, and religious institutions, a social institution is a set of social structures, which directly or indirectly control individuals' perceptions and behaviors (Giddens 1991; Goffman 1961, 1963). A social institution uses both formal rules (e.g., laws and policies) and informal rules (e.g., norms, cultural scripts, and folkways) to promote or limit individuals' life chances over an extended period of time (Sumner 1907; Weber [1904]1949, [1904]1992). Based on this established definition of labor market institutions, sociologists of aging and social gerontologists are particularly concerned with the ways in which a labor market institution as a set of social structures control individuals' perceptions and behaviors with respect to work and

employment based on their chronological age. Sociologists of aging view a labor market institution primarily as a set of age-based social control mechanisms that integrate individuals into the institution and organize their labor market behaviors over the course of their working lives (Bass and Caro 2001; Marshall 2007; Phillipson 1982, 1998).

As a form of social institution, labor market institutions are constructed and reproduced over time by the involvement and participation of, and the enduring interplays between, three major actors in the paid labor market. The three actors are: employers, the government, and workers. Employers contribute to developing and shaping the labor market institutions within which they operate mainly through their corporate policies, formal and informal workplace rules, and through their daily and long-term human resource management practices. Such employer-related aspects of labor market institutions in turn shape, or even powerfully determine, workers' compensations, opportunities for training and promotions, employment security, and processes of retirement (Freeman 2007).

The government also powerfully shapes labor market institutions. The government is responsible for regulating the management-labor relations, taking into account the conditions and future prospects of the national economy (Quadagno and Hardy 1996). Main venues through which the government contributes to formulating and re-shaping the labor market institutions are its labor market interventions and moderations through legislative, administrative, and regulatory laws, and passive and active labor market programs. Such government-related aspects of labor market institutions play a significant role, particularly in workers' employment security and in

employer discretion concerning hiring and firing of employees (Macnicol 2006; Phillipson 2004; Walker 2005).

Finally-- and most importantly for this dissertation research-- workers are crucial constituents of labor market institutions. Often in a taken-for-granted manner, workers participate in and perpetuate the labor market institutions under which they spend their working lives over an extended period of time (Baker, Glyn, Howell, and Schmitt 2005). Similar to other forms of social institution, a labor market institution tends to appear to people in society as part of the natural, unchanging landscape of their working lives (Simpson 1985). However, as the very substance of and the main supplier of the labor force in a country's workforce, workers must comply with and perpetuate institutional forces in order for those labor market institutions to exist and reproduce themselves over time (Quadagno and Street 2006).

### **1.3. Snapshot of the Institution of Lifetime Employment in Japan**

Lifetime employment has been developed and perpetuated robustly over time distinctively in the labor market of Japan (Gordon 1985, 1998; Ono 2007, 2008). Today, Japan stands as a country with substantially higher labor force participation rates among older workers than any other large-scale industrialized country with a mature economy. Simultaneously, Japan is the oldest of all 30 OECD countries today in terms of both median age of the population and old-age dependency ratios (Williamson and Higo 2007). The lifetime employment institution has been known as one of the most characteristic

national labor market institutions throughout the postwar history of Japan, particularly since the early 1960s (Ono 2007).

### 1.3.1. Characteristics of employer practices under lifetime employment

What is the *institution of lifetime employment* in Japan?<sup>4</sup> This section presents rough contours of the lifetime institution employment in order to introduce the institution as the scope of my dissertation research. More in-detailed discussions of the mechanisms and historical development of this institution will be delivered in Chapter Two. According to the *Blackwell Encyclopedia of Sociology* (2008: 362), the lifetime employment in Japan is defined as:

“...a set of human resource management practices uniquely developed and institutionalized in Japan, which hires employees immediately after their schooling and then continuously employs them on fulltime and presumably indefinite contract bases until they retire.”

The body of literature has long documented that such human resource management practices under the lifetime employment institution typically comprise the following four specific sets of employer practices (Gordon 1985, 1998; Moriguchi and Ono 2004; Ono 2007):

- (1) For recruiting workforces: *Periodic hiring of new school graduates*,
- (2) For developing workforces: *Long-term in-company human capital investments*,

---

<sup>4</sup> In Japanese literature and public discourse, the lifetime employment institution is referred to as *shūshinkoyō seido*, which literary means a ‘cradle-to-grave’ employment system (Honda 2005).

(3) For retaining workforce over time: *Seniority-based wage/salary and promotion systems*, and

(4) For renewing workforces: *Age-based mandatory retirement rules*.

In effect, employers' implementation of such human resource management practices has substantially contributed to institutionalizing the lifetime employment institution in the Japanese labor market. Such employer practices were solidly institutionalized during the times of the post-war economic reconstruction in Japan. The era of the post-war economic reconstruction was the time during which employers (management), the government (regulatory force), and workers (labor force) needed to be mutually engaged for a long duration (Holliday 2002; Ito 1999).

During the time of the post-war economic reconstruction, the lifetime employment institution has assured employers (management) of a stable labor supply due to long-term corporate loyalty and commitment of workers. In exchange, workers (labor force) were assured of stable, long-term, secure employment, and stable increases in wages due to seniority-based wage systems (Takayama 2002). The government (regulatory force), in particular the Japanese Ministry of International Trade and Industry, found the emerging long-term mutual engagement of management and labor instrumental to the country's post-war economic recovery. Established in 1949, the Ministry of International Trade and Industry had made efforts for about the three decades to coordinate employers across the country to counteract the effects of the deflationary regulations of the Allied Powers (Johnson 1982; Vogel 1979, 2001).

The lifetime employment institution has been widely recognized as the most foundational, and thus known as a stereotypical, labor market institution in Japan.



However, not all workers in the Japanese workforce are working under, or covered by, this institutional influence. To date, the lifetime employment institution has shown a relatively consistent pattern of inclusion and exclusion of the country's workforce into the institutional framework (OECD 2004). What follows outline six criteria by which one may gain a general picture of institutional mechanisms for inclusion and exclusion of the workforce:

(1) *Employment Status* – In essence the lifetime employment institution includes only *regular employees* and excludes most *non-regular employees*. The category of regular employee refers to workers who are employed on full-time and presumably permanent contractual bases (with no specified employment duration) (Ministry of Health, Labor, and Welfare [MHLW] 2009). *Regular employees* are the core workforce for employers under the lifetime employment institution. In other words, the institution systematically excludes *non-regular employees*, which refers to those workers who are employed on part-time, fixed-term, or a combination of these contract bases (Ono 2007).

(2) *Gender* – The lifetime employment institution is experienced primarily by male workers. As of 2009, *regular employees* accounted for about 65 percent of the Japanese workforce; men accounted for about 78 percent of regular employees (MHLW 2010). Thus, workers who experience and spend most of their working lives under the lifetime employment institution in Japan are typically male regular employees (OECD 2004).

(3) *Job Category and Educational Attainment* – lifetime employment has been institutionalized both for white collar (managerial/semi-managerial workers) and blue collar workers (skilled and unskilled). Given the heavily reliance of long-term in-

company human capital investments, the lifetime employment institution, particularly its institutional effects on long-term employment security, does not differentiate workers by their educational attainment (e.g., 4-year college and high school) (Seike and Yamada 2004)

(4) *Employment Sector* – The lifetime employment institution has been found both in public/semi public (e.g., government employment) and private (e.g., business corporate employment) sectors of employment. Nonetheless, the institution is found more prominently in public/semi-public sector employment than in private sector employment. Almost all public/semi-public-sector employment is directly under the lifetime employment institution, whereas a significant portion of private-sector employment is observed outside the institution (Moriguchi and Ono 2004).

(5) *Industrial Sector* – Today, ‘lifetime employment’ has been institutionalized in the country’s workforce beyond industrial sector differences. Due partly to a historical legacy, nonetheless, the institution has been more thoroughly established in the industries that have developed and sustained the country’s economic infrastructure. Such industrial sectors include utilities, transportation, telecommunication, and manufacturing sectors of industry (Moriguchi and Ono 2004).

(6) *Organizational Size* – regardless of the number of workers, the lifetime employment institution is found in almost all public sector workplaces. In the realm of private sector employment, lifetime employment has been more firmly institutionalized in larger-scale organizations than in smaller scale ones. Typically, workers in small and medium-sized firms, highly skilled or qualified independent professionals, self-employed

workers, and workers in family businesses are understood as the workforce outside the lifetime employment institution (OECD 2004).

What types of workers are typically lifetime employment workers – those who spend most of their working lives under the influence of the lifetime employment in Japan? Based on these characteristics listed above, the literature typically asserts that *lifetime employment workers* are generally , but not exclusively, male regular employees working for public/semi-public or large-scale private-sector employers (OECD 2004).

### 1.3.2. International attention to the lifetime employment institution in Japan

In the literature on international experiences of economic development during the post-war era around the world, the so-called *Japanese economic miracle* is one of the subjects that has received the most attention (Bellah 2004; Forsberg 2000; Gordon 1998; Van Wolferen 1990; Vogle 1979). From roughly the early 1960s through the late 1980s, Japan experienced rapid economic growth with average growth rates of about 10.2 percent in the 1960s, some 5.1 percent in the 1970s, and about 4.3 percent in the 1980s (MHLW 2005). In 1951, Japan's Gross National Product (GNP) was about 14.2 billion in US\$, half that of West Germany, one-third of Great Britain (the U.K.), and a mere 4.2 percent of the U.S. economy. By 1970, Japan had overtaken all European economies, and represented more than 22 percent of the U.S.'s GNP. In 1975, Japan's GNP was double of that of that of the U.K., and by 1980 it reached US\$104.1 billion, roughly 40 percent of that of the U.S. (OECD 1999, 2004). The so-called *Japanese economic miracle* following the end of World War II established Japan as one of the largest economies

among the industrialized part of the world, and has helped the country achieve the status of being the world's second largest economy (World Bank 2010).

To date, much research has attempted to account for factors that allowed the Japanese economy to develop rapidly and sustain its exceptional growth during the three decades following World War II. In the body of international literature of personnel economics, institutional economics, organizational studies, and industrial sociology, researchers have often raised the development and effectiveness of Japanese-style human resource management as a crucial factor in the country's economic success. One of the key elements of Japanese style-human resource management is the institution of lifetime employment (Cole 1979; Vogel 1979, 2001).

Particularly during the 1970s and 1980s, the institution of lifetime employment in Japan attracted considerable attention first from researchers and then from private-sector employers around the world (Gordon 1985, 1998; Moriguchi and Ono 2004). In the U.S., James C. Abegglen's *The Japanese Factory*, published in 1958, was one of the first books to describe the country's lifetime employment institution as a distinctive labor market institution that held a key to the post-war *Japanese economic miracle* (Ono 2005, 2007).<sup>5</sup>

Even since the burst of Japan's asset bubble economy in the early 1990s, the lifetime employment institution in Japan has remained recurrently discussed in the literature. The literature has documented and analyzed the experiences of Japan's

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<sup>5</sup> Since Abegglen's introduction, social scientific literature began paying attention to this institution in Japan. Some of the most important subsequent books include: Robert N. Bellah's *Religion and Progress in Modern Asia* (1965); Ezra Vogel's *Japan's New Middle Class: The Salary Man and His Family in a Tokyo Suburb* (1963) and *Japan as Number One* (1979); and Richard T. Pascale's *Art of Japanese Management* (1982).

economic growth linked to the prevalence of the lifetime employment institution and its implications for other industrialized countries and economically emerging countries<sup>6</sup> (Higo and Lee, forthcoming).

Since the early 1980s, a number of industries in North America, Western Europe, and other countries in the industrialized parts of the world have introduced some elements of the employer human resource management practices found under the lifetime employment institution in Japan (Oliver and Wilkinson 1988; Ono 2005). Such employer zeal for and adaptation of Japanese employers' practices into their workplaces, organizations, and industries is often referred to as *Japanization* of human resource management (Sheldrake 1996). Particularly employers in manufacturing industrial sector aimed to introduce to their workplaces long-term in-company human capital investment on the part of employers and, on the part of employees, 'lifetime' commitment and loyalty to their employers (Castelles 2010; Dore 2004). *The Economist* once noted that "the Japanese are at the frontiers of existing knowledge..." and "an exporter of ideas" for effective, productive, and competitive human resource management in the global scene of economic competition (20 May 1989, p.91).

#### **1.4. The Research Subject: Lifetime Employment Workers in Japan**

##### 1.4.1. 'Lifetime employment' workers in Japan

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<sup>6</sup> Main works in this context include Andrew Gordon's *Post-War Japan as History* (1993) and *The Wages of Affluence: Labor and Management in Postwar Japan* (1998); Ezra Vogel's *Is Japan Still Number One?* (2001); Robert N. Bellah's *Imagining Japan: The Japanese Tradition and its Modern Interpretation* (2003); and Manuel Castells' *The Rise of the Network Society* (2010).

The research subject of this dissertation is *lifetime employment workers* in Japan. As the supplier of labor force, the role of workers is just as important as that of employers and the government in institutionalizing ‘lifetime employment’ in the country’s labor market. However, in the body of literature on this labor market institution, individual workers’ experiences of being part of the lifetime employment institution have been markedly understudied.

In this dissertation, lifetime employment workers in Japan are defined as *those men who have spent most of their working lives under the influence of the lifetime employment institution in Japan*. In order to uncover the ways in which the lifetime employment institution shape individual workers’ experiences of aging over the course of their working lives, my dissertation explores the experiences of aging as perceived by lifetime employment workers.

#### 1.4.2. Pre- and post-mandatory retirement workers

The research subject of this dissertation – lifetime employment workers in Japan – includes two categories of workers: *pre-* and *post-mandatory retirement workers*. To address my research questions, I explore the experiences of aging as perceived by these two categories of workers, who comprise the category of lifetime employment workers in Japan as the research subject of this dissertation.

*Pre-mandatory retirement workers* refer to employees who have experienced and not yet exited the lifetime employment institution. They are currently part of the core

workforce of their employers under the institution. These workers were recruited into their ‘lifetime’ organizations through the aforementioned *periodic hiring of new school graduates* and have received *long-term in-company human capital investments*. Their compensations and opportunities for promotions have been determined largely by seniority-based wage/salary and promotion systems. These workers are still directly under the lifetime employment institution because they have not researched the age criteria set by their employers’ corporate policies for *mandatory retirement*.

*Post-mandatory retirement workers* are those who have experienced and already exited the lifetime employment institution. Once part of the core workforce of their employers under the institution, they are now systematically and permanently excluded from the institution due to their employers’ corporate policies for *mandatory retirement*. As with pre-mandatory retirement workers, these workers were recruited into their ‘lifetime’ organizations through the *periodic hiring of new school graduates*, have received *long-term in-company human capital investments*, and experiences seniority-based wage/salary and promotion systems. They still remain economically active as employees in the country’s post-mandatory retirement workforce.

Both categories of workers are *lifetime employment workers* in a sense that they have spent most of their working lives under the institutional influences of ‘lifetime employment.’ In contrast to *pre-mandatory retirement workers*, *post-mandatory retirement workers* may be understood as those who have already exited the direct institutional influences of the lifetime employment institution. Nonetheless, exploring the experiences of *post-mandatory retirement workers* is crucial to uncovering the

overarching impact of the lifetime employment institution in Japan on the ways in which *lifetime employment workers* experience aging over the course of their working lives.

Inclusion of post-mandatory retirement workers' experiences of aging in my dissertation is important because, while they are now excluded from the institutional framework, this category of workers is a systematic product of the institution in today's labor market structure in Japan. As will be discussed in more detail in Chapter Two, in Japan today, contrary to its name, the institution of 'lifetime employment' does not cover individuals' entire working lives. Today, workers in Japan are likely to remain in the workforce even after reaching mandatory retirement age and retiring from their 'lifetime' workplace or career. In 2008, the employment rate for those aged between 60 and 64 (men and women) was 65 percent,<sup>7</sup> which is among the highest in all 30 OECD countries (MHLW 2009). Many factors contribute to this tendency. One is that the Japanese have the world's longest healthy life expectancy at birth, which may be translated into the longest ability to work in the world. In addition, Japan's national culture places high value on remaining economically active well into one's early 70s, which also helps explain this tendency (Williamson and Higo 2007).

Perhaps, the most important factor is one linked to economic reasons; while most employers in Japan today set age 60 as the mandatory retirement age, a large portion of the public pension benefits are not available until age 65. Many workers in Japan feel that even after they are forced to retire from their 'lifetime' employment, they need to remain

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<sup>7</sup> The employment rate for men in this age group in 2008 was 76.2 percent, which is the highest among 30 OECD countries, except only for Mexico (83.2 %) and South Korea (79.4%) (OECD 2009). It should be noted that Mexico is not yet classified as an industrial country; it is currently being referred to as a newly industrializing country (NIC). South Korea, until recently, was classified as a NIC but is now classified as an industrial country.



economically active in order to meet their economic needs. Due partly to the prevalence of the lifetime employment institution, and in particular its associated mandatory retirement rules, both in public and private sector of employment, today's Japanese labor market has produced a substantial number of workers who are forced to retire from their 'lifetime' workplaces but who still need to remain in the labor force (Williamson and Higo 2007).

## **1.5. Theoretical Framework: A Social Constructionist Approach**

### 1.5.1. Social constructionist approaches to social institutions

My dissertation research explores pre- and post-mandatory retirement workers' experiences of aging in order to uncover how the lifetime employment institution in Japan shapes the experiences of aging over the course of their working lives. In sociology, this approach to studying the institutional (structural) influences on individuals (agents) is often referred to as a *social constructionist* approach (Giddens 1990, 1991; Searle 1995).

Since Schütz's (1967) *Phenomenology of the Social World* and Berger and Luckmann's (1969) *Social Construction of Reality*, social constructionism has become one of the most prominent theoretical perspectives in sociology in particular and in the social sciences more generally (Adams and Sydie 2002; Riter 1999; Searle 1995; Willard 1996). A major goal of social constructionism is to uncover the ways in which existing social institutions (e.g., labor laws, corporate policies, social norms with respect to work

and retirement, etc.) shape individuals' perceptions and behaviors over an extended period of time.

Individuals are, nonetheless, not merely objects of broader social structural forces (Berger and Luckmann 1969). Social constructionists view individuals as meaning-making agents in the society who internalize structural forces as a framework for how they make sense of their daily social lives and long-term life experiences. Such meanings, values, and attitudes that individuals embraced in turn reproduce the social structures over time (Morgan and Kunkel 2006). Research based on social constructionist approaches often explores the ways in which individuals and groups participate in the creation, reproduction, and perpetuation of social institutions as 'social realities.' Thus, sociologists often utilize this theoretical perspective in order to understand the social process through which individuals contribute to socially constructing a particular social institution and make it a part of 'social reality' (Berger and Luckmann 1969; Schütz and Lackmann 1973).

#### 1.5.2. Agency and structure: Individual as a mirror and reproducer of social institutions

Social constructionism views what is perceived as a 'social reality' as a product of continuous interplay between *structure* and *agency* in society. This basic theoretical premise of social constructionism is based on two long dichotomized theoretical paradigms in sociology: *Macro-structuralist* and *interpretivist* paradigms (Burr 2003; Giddens 1984; Searle 1995).

Similar to macro-structuralist approaches, social constructionism acknowledges the significance of social structures in shaping individuals' perceptions and behaviors (Giddens 1984, 1990). Often, individuals are born into existing sets of laws, norms, customs, traditions, and institutions. On an institutional level, such pre-existing social structures are external to each individual's control, and powerfully shape individuals' life chances over time by allocating socio-economic resources (Alexander 1987, 2003; Parsons 1968; Merton 1957). The impact of such social structures is so powerful that lay individuals tend to take them for granted as 'social facts' (Durkheim [1987]2004).

However, such broad structural arrangements of social lives would not come to be 'social realities' without individual agencies (Bourdieu 1984, 1998; Giddend 1994, 1996; Burr 2003). Individuals' conscious or habitual conformity to, acceptance of, and participation in those broad structural arrangements are essential elements to sustaining and maintaining the social realities (Berger and Luckmann 1966; Kohn 1969). In other words, a 'reality' is socially constructed when individuals internalize external social structural forces into their perceptions and behaviors and collectively institutionalize the structural arrangements through their participation over an extended period of time (Burr 2003). In order to fully understand a process through which social institutions become 'social realities,' social constructionist perspectives also draw on theoretical premises of how *phenomenological sociology* and *symbolic interactionism* view the social world (Archer 1988; Bauman 1973).

These two theoretical perspectives represent major strands of the interpretivist paradigm in sociological research (Giddens 1984; Meyer and Rowan 1977). As Schütz (1967) argues, phenomenological sociology presumes that social realities are in essence

‘phenomena,’ as opposed to tangible realities existing external to individuals’ consciousness. Individuals continually produce and maintain social realities with the meanings that individuals attach to their experiences (Weigert 1986; Schütz 1967; Schütz and Luckmann 1973.). Drawing on symbolic interactionist premises, social constructionists conceptualize individuals as meaning-making and reflexive agents, rather than mere objects of external social structural forces. Individuals are active *agents* of a society who make sense of their daily and long-term social life experiences and direct their behaviors based largely on their interpretation of the meanings of their experiences (see, Blau 1969; Blumer 1969; Mead 1934; Weber [1904]1949).

Addressing the significances of macro-structuralist and interpretivist approaches to the social world, social constructionists utilize a micro-approach (exploring individuals’ subjectivities) to uncover the macro-structure of the larger society surrounding their daily lives (institutional structures and forces) (Bourdieu 1984; Ritzer 2007). As a sociological research paradigm, the social constructionist approach often emphasizes that individuals’ subjectivities, such as their perceptions and comprehensions of their life experiences, are largely reflective of the influences of social structural conditions surrounding their daily lives for an extended period of time (Berger and Luckmann 1966; Burr 2003).

The goal of social constructionism, however, does not rest in understanding those individuals’ life experiences per se. Often utilizing data drawn from participant observation and in-depth interviewing techniques, research based on social constructionist approaches aims to reveal how social institutions shape individuals’

perceptions and behaviors by exploring individuals' long-term experiences as expressed by themselves (Simpson 1985).

### 1.5.3. Social construction of the lifetime employment institution in Japan

From a social constructionist point of view, a national labor market institution is a socially constructed reality surrounding and shaping individuals' perceptions and behaviors over the course of their working lives (Hendricks 2006; Marshall 2007; Quadagno and Reid 1999; Settersten 2006). Labor laws, corporate policies, and employers' institutionalized human resource management practices together constitute the broad social structures that contour individuals' daily lives in the workplace and in the labor market at large (Macnicol 2006; Walker 2005). To construct these structural forces into 'social realities,' individual workers, too, play a significant role in perpetuating the structure over an extended period of time. Individual workers internalize the surrounding social structures as a structural framework for how they make sense of and comprehend their daily social lives and long-term life experiences as workers (Hendricks 2006). Thus, a social constructionist approach is useful in exploring individuals' experiences of aging within a national labor market institution in order to illuminate how national labor market institutions use age to organize and control individuals' perceptions and behaviors (Phillipson, 1982, 1998, 2004; Quadagno and Reid 1999).

The scope of my dissertation research is to explore in particular how the lifetime employment institution in Japan shapes individuals' experiences of aging over the course

of their working lives. Utilizing a social constructionist approach, my dissertation research explores and analyzes how this particular labor market institution in Japan continually influences, or potentially alters, the workers' experiences of aging even after exiting the institution (add removed to their employers' networks or moving onto the labor market). Inclusion of these two categories of lifetime employment workers in Japan enables my dissertation to uncover continuities and discontinuities in the impact of the lifetime employment institution on individuals' experiences of aging in the nation's labor market.

### **1.6. Three Areas of Experiences of Aging**

Employers' human resource management under the lifetime employment institution in Japan is apparently age-based – from the time of hiring through firing, employers use workers' age as a central criterion to manage and control their behaviors over the course of their working lives within the institution. For instance, employers practice periodic hiring of new school graduates and mandatory retirement based on workers' age. Determination of wage/salary and opportunities for promotion and training are closely linked to workers' age (and tenure within their organizations). By not abolishing widely implemented mandatory retirement corporate policies, the government has certainly contributed to these age-based human resource management practices in particular and the persistence of the lifetime employment institution more generally.

Thus, to some extent, the lifetime employment institution in Japan uses workers' age to shape and control their opportunities and decisions with respect to their working

lives over an extended period of time. That is, the body of knowledge on the labor market institution in Japan has already suggested that this particular institution is a set of age-based social structural forces surrounding individuals' daily lives and their working lives.

My dissertation research builds on and contributes to the existing literature on the lifetime employment institution in Japan. It does so by asking *how* individual workers perceive that they experience aging and growing older in the context of Japan's lifetime employment institution. By addressing this core question, my dissertation research aims to uncover the ways in which lifetime employment as a social institution shapes and controls individual workers' perceptions, behaviors, and future prospects concerning their working lives.

In examining *how* the institution of lifetime employment in Japan shapes individuals' experiences of aging over the course of their working lives, my dissertation research focuses on three specific areas in which individuals are likely to go through age-related experiences over the course of their working lives. Experiences in these three areas constitute individual workers' experiences of aging over the course of their working lives both at the workplace and in the labor market. The three areas are:

- (1) *Perceived instances of being subject to age discrimination,*
- (2) *Attitudes towards age discrimination experiences,* and
- (3) *Self-concepts as workers* (including self-esteem, subjective age, and age role-identity)

I aim to explore these three age-related areas of the workers' life course experiences based on a social constructionist approach. By exploring individual *lifetime employment workers'* experiences in these three age-related areas, my dissertation

research aims to uncover the ways in which the lifetime employment institution functions as an age-based control mechanism. It also aims to uncover the ways in which workers within the institution have together constructed the social status and self-concept of *older workers* in Japan's labor market and society at large.

(1) Questions about *perceived instances of being subject to age discrimination*:

In what areas of employment conditions (e.g., wages, training, and promotion) do they perceive that they have been subject to age discrimination over the course of their working lives at the workplace (under the lifetime employment institution) and in the labor market at large (only for post-mandatory retirement workers)? Experiences of age discrimination include both privileges (being discriminated for) and disadvantages (being discriminated against).

How do they perceive that conditions of national economy, national culture with respect to work, government regulations, corporate policies, employer HR management practices, and changes in any of these, have contributed to the instances of age discrimination?

(2) Questions about *attitudes towards age discrimination experiences*:

Case by case, did they view these instances of perceived age discrimination as justifiable (rational) or unjustifiable (irrational)? How do they account for their attitudes toward specific instances of perceived age discrimination (e.g., why justifiable)? How did their attitudes towards age discrimination and rationales for their attitudes change over the course of their working lives?

How do they perceive that conditions of the national economy, national culture with respect to work, government regulations, corporate policies, employer HR



management practices, and changes in any of these, have contributed to these attitudes and changes in them over time?

(3) Questions about *self-concepts as workers*:

How do they perceive that the following three aspects of their self-concepts as workers have changed over the course of their working lives: (a) their self-assessed value as workers, (b) their appropriate roles in the workplace, and (c) how old they perceive themselves to be both at the workplace and in society at large?

How do they perceive that conditions of the national economy, national culture with respect to work, government regulations, corporate policies, employer HR management practices, and changes in any of these, have contributed to their self-concept as workers and changes in them over time?

### **1.7. Rationales for the Dissertation Research**

The aforementioned core and specific research questions and goals of this dissertation research are based on at least the following three rationales: (1) First, my dissertation research contributes to increasing knowledge of the lifetime employment institution in Japan. My dissertation research contributes to filling a gap in the literature by focusing on the experiences of *lifetime employment workers* – a largely understudied key element of the lifetime employment institution. (2) Second, by focusing on the lifetime employment institution in Japan, my dissertation research contributes to the body of literature on international variations of labor market institutional models and their different implications for older workers and retirement. (3) Finally, my dissertation

research also yields policy implications regarding the potential impact of current institutional changes to the lifetime employment institution on today's and future older workers' labor market prospects in Japan. In what follows, I deliver more detailed discussions of each of these three rationales underlying my dissertation research.

#### 1.7.1. Filling the gap in literature: Workers' experiences and perspectives

Since roughly the late 1950s, the institution of lifetime employment in Japan has been well documented, discussed, and examined. Often under the name of 'Japanese-style production and human resource management,' this labor market institution, distinctive to Japan, has drawn a significant amount of attention from researchers, policymakers, and the general public, both within Japan and in other industrialized countries (Aoki 2001; Dore 2004; Gordon 1993, 1998).

To date, typically the lifetime employment institution in Japan has been discussed primarily from employers' and policymakers' perspectives (Higo and Yamada 2009b). By and large, the existing literature of personnel economics, institutional economics, and international organizational studies has focused on this institution primarily as a set of employers' human resource management practices. Researchers in these fields have aimed to examine the lifetime employment institution as related to success with increasing productivity and efficiency in their business management. Of particular interest to such researchers are employees' long-term organizational commitment and the accumulation of firm-specific human capital development, each of which has been commonly achieved by Japanese employers through the practices of 'lifetime

employment' (Dore 2004). The lifetime employment institution in Japan has also been discussed from policymakers' perspectives (Higo and Lee, forthcoming; Higo and Yamada 2009ab). Policy analysts and policymakers have been interested in documenting and predicting the implications of the lifetime employment institution on middle-aged and older workers' labor market behaviors, primarily including their institutionalized long-term employment security, mandatory retirement, and continued working lives after retirement (OECD 2004; Williamson and Higo 2007, 2009).

In my dissertation research, I ask a question that has rarely been raised, but is crucial from a sociological perspective – *how do individual workers experience the lifetime employment institution?* From a sociological perspective, individuals are crucial actors in producing and reproducing social (and socio-economic) institutions (Boudieu 1984, 1998; Giddens 1984, 1990). In constructing and reproducing a labor market institution over time, not only employers (management) and public policy (the government) but also workers are key constituents. From a social constructionist perspective in particular, to understand the ways in which the lifetime employment institution works and reproduces itself in the labor market and society in Japan, it is crucial to explore and understand the experiences of individuals' working life experiences under the institutional influences. Employers and public policies have played key roles in contouring structural dimensions of the lifetime employment institution. However, social constructionists argue, for 'lifetime employment' to be institutionalized, rendered a 'social reality,' and reproduced over time in the country's labor market, individual workers have also had to contribute to the construction and maintenance of the institution.

My dissertation research focuses on a specific aspect of individual workers' experiences under the lifetime employment institution in Japan – *the experiences of aging*. From the perspectives of sociologists of aging and social gerontologists, it is particularly important to explore how they age under the institution due to the aforementioned demographic pressures to prolong the working lives of older workers in Japan. Despite this significance, little research has explored the age dimensions of workers' long-term experiences under the institution. My dissertation research contributes to filling the gap in the literature on the lifetime employment institution in Japan by exploring individual workers' experiences of participating in and even reproducing the institution over time and how the institution has shaped their aging experiences over the course of their working lives.

#### 1.7.2. Contributing to knowledge of non-Anglo-Saxon labor market institutional models

To date, existing literature on the experiences of aging within the context of national labor market institutions has focused almost exclusively on the cases of the United Kingdom, the United States, and Australia (see, Angell, Keen and Weichenrieder 2004; Dore 2004; Freeman 2007). In the “Anglo-Saxon labor market institutional model,” the lifetime employment institution as experienced in Japan has substantially declined or been virtually absent historically (Dore 2004: 63). Due largely to the historical robustness and prevalence of the lifetime employment institution in Japan, Japan's national labor market institutional model can be seen as significantly different from the Anglo-Saxon model (OECD 2004). Table 1 presents a summary of the major

differences between the Japanese labor market institutional model and the Anglo-Saxon counter part.

**[Table 1 goes about here]**

Due partly to the decline or absence of the institution of lifetime employment in Anglo-Saxon countries, the Anglo-Saxon labor market institutional model has seen a rise in *flexibility* in both management and workers' labor market behavior options roughly over the last two decades (Phillipson 1998, 2004). Bauman (2000, 2001) and Beck (2000) interpret this labor market trend as an individualization of labor market decisions and behaviors. Parallel to the rise and prevalence of employment flexibilities is an increase both in individuals' choices in their labor market behaviors and in their responsibility for the consequences of the decisions they make (e.g., continued employment, phased retirement, full retirement, etc.) (Baker, Glyn, Howell and Schmitt 2005). Under this labor market institutional model, as Macnicol (2006) observes, by international standards, workers in general experience a low level of employment security and a high level of labor market mobility (movement from one employer to another). In sharp contrast, due partly to the prevalent institution of lifetime employment, workers in the Japanese model tend to experience a high degree of employment security and a very low degree of labor market mobility over an extended period of time (Dore 2004).

It follows that such differences in these two distinctive labor market institutional models have different implications for workers' experiences of aging and old age. The three Anglo-Saxon countries have commonly implemented anti-age discrimination legislation (Walker 2005; Taylor and Walker 2004). In this context, generally workers do not have to contend with compulsory retirement forced by mandatory retirement

corporate policies (Macnicol 2006). Under the institutionalized flexibilities/individualization of labor market behaviors, individuals' experiences of aging and being in old age in the labor market are also diverse (Setterstein 2004, 2006). This is not to say that individual workers in the Anglo-Saxon model are free from age discrimination; negative age stereotypes against "older workers" still exist. Research still suggests that workers' chronological age and their perceived instances of age discrimination in the workplace and in the labor market are positively correlated (Quadagno and Hardy 1996). In the Anglo-Saxon labor market, older job seekers tend to confront institutionalized age barriers to hiring, and at the workplace older workers tend to experience fewer opportunities than younger workers for re-training, promotion, and retaining jobs (Marshall 2007; Shah and Kleiner 2005).

However, chronological age is no longer the most powerful factor to shape the experiences of aging over the course of working lives in the Anglo-Saxon model (Setterstein 2003, 2006). Individuals' working life experiences in the labor market vary significantly by their occupation, human capital (e.g., education and qualification), and industrial sector (Heinz 2003). At hiring, promotion, and retaining, for instance, individual merits (e.g., qualification, achievement, career paths, etc.) are as significant, if not more important, factors than age to affect individuals' working lives (Heinz 2003; Nelson 2004, 2007; Simms 2004). In short, on an institutional level, therefore, "age" is no longer singularly shaping individuals' working life experiences and their future prospects in the labor market.

By contrast, the Japanese labor market institutional model lacks such anti-age discrimination legislation as the *U.S. Age Discrimination in Employment Act of 1967*. In

the Japanese model, mandatory retirement corporate policies are still in effect in most workplaces, which in the Anglo-Saxon model is considered a form of workplace age discrimination (Seike and Yamada 2004). Nonetheless, workers in Japan seem to be less likely than those of the Anglo-Saxon nations to confront age barriers to continued employment in later life.<sup>8</sup> Across all age groups, including older workers, employment rates are substantially higher for Japan than for any of the Anglo-Saxon countries (OECD 2008). In exchange for mandatory retirement, the lifetime employment institution in Japan thus seems to protect workers from confronting age discrimination at least in terms of employment security (Williamson and Higo 2007).

Compared to the Anglo-Saxon model, the Japanese counterpart is also characterized by a lower level of *flexibility* in both management and workers' labor market behavior options (Dore 2004; Higo and Yamada 2009b). In other words, workers in the Japanese model have experienced a lesser degree of individualization of opportunities, responsibilities, and risks with respect to their labor market decisions and behaviors. As mentioned earlier, the 'lifetime employment' institution in Japan characteristically practices (chronological) age-based human resource management at hiring, determining wage and promotion, and retirement. Thus, it is very clear that workers' chronological age is the most decisive factor to shape their experiences. In the Japanese model, it seems that "age" plays more important role in shaping individuals'

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<sup>8</sup> OECD (2004, 2008) discusses that lifetime employment is still widely practiced in the labor markets of Germany, Poland, Italy, Spain, South Korea, and China, to name a few. However, as OECD (2004) observes, lifetime employment practiced in Japan is clearly more thoroughly institutionalized than that in any other countries as measured by the high level of employment security that workers under the institution experience in later life.

behaviors, subjectivities, and experiences in the course of working lives than in the Anglo-Saxons model.

Regardless of the national/cultural differences, every industrialized country provides individual workers with age-based general framework for their life transitions. For instance, the majority of workers across countries enter and withdraw from the workforce within similar age ranges (Macnicol 2006). Nonetheless, the role of “age” in shaping individuals’ working life experiences over time seems to be greater and more intense in the Japanese model than in the Anglo-Saxon counterpart. This relative importance of chronological age in the Japanese labor market institutional model – namely, the ‘lifetime employment’ institution -- provides a justification for my research as it explores workers’ experiences of aging under the lifetime employment institution in Japan. By focusing on the case of Japan, my dissertation contributes to the literature as it examines how workers’ experiences of aging are shaped by the lifetime employment institution - a national labor market institution which substantially differs from that of the Anglo-Saxon model.

There are at least two reasons why it is reasonable to argue that Japan’s national labor market institution is potentially important to those who seek knowledge of international variations of the experiences of aging and older workers’ employment prospects within a national labor market institution. First, the size of Japan’s economy is considered large by international standards. From roughly the early 1970s to date, Japan has continually stood as the second largest economy in the world, second only to the



U.S.<sup>9</sup> Hence, even among the industrialized part of the world at large, the lifetime employment institution in Japan may be regionally specific, but the number of individuals who have experienced it is too large to be overlooked.

Second, Japan's labor market institution seems to achieve the level of integration of older workers, men in particular, into the labor force that Anglo-Saxon countries currently aim to achieve. Labor force participation rates among male older workers (age 55-64) in Japan are not only higher than those in the Anglo-Saxon countries but also the highest of all 30 OECD countries with an only exception of Iceland. As **Figure 2** shows, as of 2008, labor force participation rate among men age 55 to 64 in Japan was about 85.0 percent. The corresponding figures for the U.K., U.S., and Australia were 70.1 percent, 70.4 percent, and 67.7 percent, respectively. If Iceland is understood as a mature yet small-scale economy, then Japan stands as the country with the highest labor force participation rate among older workers (age 55-64) among large-scale industrialized countries with mature economies today (Williamson and Higo 2007, 2009). As part of the search for answers to questions about what could be done to increase labor force participation rates among older workers, it makes sense for Anglo-Saxon countries to take a close look at the case of Japanese labor market institution.

**[Figure 2 goes about here]**

With its focus on the case of Japan, my dissertation research contributes to the existing body of literature on this subject. My dissertation research seeks to make

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<sup>9</sup> As of 2008, gross domestic product (GDP) (nominal) for the U.S. was about \$14.2 trillion, which ranked the country by far the largest economy in the world. Japan's GDP (nominal) in the same year was about \$4.9 trillion, which is much smaller than that of the U.S. but ranks the country as the second largest economy in the world. Japan's GDP (nominal) in this year was substantially larger than those of the other Anglo-Saxon countries (\$2.6 trillion for the U.K. and \$1.0 trillion for Australia) (World Bank 2010).

contributions to the literature on international variations in labor market institutional models and their different implications for older workers and retirement.

#### 1.7.3. Policy implications: The Institutional changes and the future of older workers

Finally, my dissertation research also represents an effort to contribute to the social policy literature, particularly the work of those interested in finding ways to mitigate institutional factors constraining or reducing employment opportunities for workers who want to remain in the labor force beyond the conventional retirement age. Over the last two decades, the policy literature has suggested that the lifetime employment institution in Japan has been experiencing major changes. My dissertation research yields some policy implications linked to the potential impacts of the current institutional changes of the lifetime employment institution in Japan on today's and future older workers' labor market prospects.

Over the last two decades, Japan's labor market has been gradually and yet certainly changing due partly to the downsizing of the lifetime employment institution (Ogoshi 2006; OECD 2004). Since the early 1990s, many employers in Japan have been under pressure to re-structure their corporate organizations and workforces in the wake of recovery from the economic recession. Japan has experienced a sharp rise in the number of non-regular employees (those who are typically outside the lifetime employment institution) in the workforce. In Japan, conventionally, post-mandatory retirement older workers (i.e., bridge-job workers) as well as married women have been overrepresented in the non-regular workforce (Japan Institute of Labor Policy and Training [JILPT] 2008).

The share of non-regular employees in the country's workforce has increased from about 20 percent in 1994 to some 35 percent in 2008 (MHLW 2009). The increase in the share of non-regular employees suggests the decrease of the share of regular employees in the country's workforce. Thus, JILPT (2008) argues that the size of the 'lifetime employment' has been decreasing compared to about two decades ago.

This steady downsizing of the 'lifetime employment' institution has created serious equity concerns, especially for the older workers (OECD 2008). In the current legislative climate, non-regular employees experience substantially lower wages, less social protection, and fewer opportunities to enhance their human capital relative to those within the lifetime employment institution (Higo and Yamada 2009ab). Against the backdrop of this institutional change, Japan anticipates an increase in the number of post-mandatory retirement workers in the labor market due to the country's rapid population aging, the aging of the members of the baby boom generations in particular (JILPT 2009).

Thus, post-mandatory retirement workers' experiences of aging in the labor market – one focus of my dissertation – are important to understand as they can have potentially valuable policy implications. By investigating post-mandatory retirement workers' experiences, my dissertation seeks to illuminate the ways in which the nation's labor market, outside of lifetime employment, influences and constrains work-related opportunities and resources for workers who currently constitute a large portion of the nation's non-regular workforce.

## CHAPTER TWO:

### STRUCTURES AND HISTORY OF LIFETIME EMPLOYMENT

#### 2.1. Synopsis of CHAPTER TWO

Rather than referring to a particular contractual status, *lifetime employment* as widely institutionalized in the labor market in postwar Japan is a *social institution*. It has been developed and reproduced over time essentially as a set of unwritten expectations and long-term mutual commitment involving employers, public policy, and individual workers. As in the case of broader society at large, lifetime employment has been produced and reproduced over time by the long-term interplay between *structures* and *agencies*. Employers and public policy have played a key role in structuring lifetime employment. As agents, individual workers have contributed to institutionalizing lifetime employment through their habitual practice and reinforcement of its structural forces as the most representative labor market institution in Japan.

Under the lifetime employment institution, employers and their interplay with public policy – the two main structural forces of the institution -- typically conduct age-based practices that powerfully structure individuals' perceptions and behaviors over the course of their working lives. As a set of structural forces of the lifetime employment institution, employers typically implement: (1) *periodic hiring of new school graduates (with rigid upper age-limits for hiring (a main method of workforce recruitment)*; (2) *long-term in-company human capital investment (assuming workers' 'lifetime' commitment to*

*their employers*); (3) *seniority-based wage/salary and promotion systems*; and (4) *mandatory retirement corporate policies (typically at age 60)*.

Public policy has also contributed to institutionalizing lifetime employment by affirming, and thus preserving, employers' practices of setting upper age limits for hiring and of implementing mandatory retirement corporate policies. Importantly, through such public policies, the government has created a *post-mandatory retirement* workforce in the country's labor market. This category of workers consists of those who remain in the labor force after being systematically excluded from the lifetime employment institution (due to mandatory retirement). The aging of the workforce in Japan has in turn translated into continual growth in the number of workers in this category. A by-product of the resilient institution of lifetime employment in Japan, the post-mandatory retirement workforce has been generated mainly by (1) the current structure of public pension schemes, and (2) the legal obligations of employers to 're-hire' their mandatorily retired workers at least until age 65.

Men are much more likely than women to experience lifetime employment. The institution typically includes only *regular employees* (based on full-time and presumably permanent contractual bases). Generally, self-employed workers, women, and *non-regular employees* (e.g., part-time, temporary, or contract employees) are excluded from the institutional framework. Lifetime employment is institutionalized characteristically in most public sector workplaces (regardless of the size of the workplace) and in private organizations of large and medium size. Due partly to the strong institutional emphasis on long-term, in-company human resource investment, lifetime employment does not exclude job seekers on the basis of their human capital (e.g., level of education or work-related

qualification). Thus, typically, the core workforce of the lifetime employment institution in Japan consists mainly of those male employees who work either at public sector workplaces or at larger private organizations.

The origins of lifetime employment as institutionalized in Japan today trace back to the interwar period (1920s-1930s). As the country experienced rapid, nationwide industrialization, employers who rapidly grew larger in size faced an increasing shortage of skilled workers. From this time period through today, in order to secure stable workforces, employers have continually developed and implemented the aforementioned human resource management practices typically found under the lifetime employment institution today. Since the 1960s, public policy has actively intervened in the labor force, which has facilitated the institutionalization of lifetime employment across the country.

Today, in the midst of the increasingly competitive global economy, lifetime employment in Japan has been experiencing clear institutional changes. Since the late 1980s, the institution has been in decline at least in terms of its size within the country's labor force. The share of regular employees – the core workforce of the institution – in the country's labor force has steadily and significantly dropped. Also, some employers have begun discontinuing some of the human resource management practices that are characteristically found under the lifetime employment institution.

## **2.2. Defining the Institution of Lifetime Employment in Japan**

### **2.2.1. Lifetime employment as a social institution**

Solidly institutionalized, *lifetime employment* characterized the Japanese labor market throughout the post-war history. In Japan, there is no statutory law that guarantees workers so-called ‘employment for lifetime.’ Lifetime employment is not a contractual state or any form of legally defined employment status (Aoki 1990, 2001). Similar to the American or British civil codes, the Japanese Labor Standard Law<sup>10</sup> stipulates that, under an employment contract with no specified term, either party – employers or workers – can terminate the contract at any time with a two-week advance notice (Article 627-1). Under the same law, employers are obligated to pay their employees the equivalent of their 30 days’ wages when firing them. With these specific obligations, the Japanese Law fully supports employers’ right to dismiss employees (MHLW 2008).

Gordon (1985, 1998) argues that lifetime employment in Japan is best understood as a *set of unwritten agreements between management, labor, and the state* in which the relative rights, duties, and expectations of each party are expressed. Rather than a legally defined employment status, lifetime employment in Japan is an implicit, albeit firmly institutionalized, long-term mutual commitment and agreement between employers and workers. In addition to employers and workers, the government has long played a key role in facilitating and even reinforcing the long-term mutual commitment, often through labor market regulations and policies (Gordon 1985). Long-term, dynamic interplay between the three key actors in the country’s labor market – employers, workers, and the government - has established ‘lifetime employment’ as a resilient labor market institution in the post-war Japanese labor market (Aoki 2001).

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<sup>10</sup> Law No. 49 of 7 April 1947 (MHLW 2009).

### 2.2.2. Issues on measuring the size of the ‘lifetime employment’ workforce

How big is *lifetime employment* in the Japanese labor market? What proportion of the Japanese workforce is considered to be under the institutional framework of lifetime employment? Roughly since the early 1960s, the lifetime employment institution has drawn attention from social scientific and management literature around the world. However, researchers have commonly struggled with accurately measuring the size of the institution within the country’s labor market (Ono 2007).

The difficulties in measuring the size of the institution stem mainly from the following two reasons: (1) the aforementioned implicit, ‘social contractual’ nature of lifetime employment, and (2) the ways in which national government agencies release survey data (Dore 2004; Ono 2007). As will be discussed below, generally, labor economists estimate that today roughly 30 to 35 percent of the country’s workforce (those who are economically active) could be understood as *lifetime employment workers* – those who have spent most of their working lives under the lifetime employment institution (Gordon 1985, 1993, 1998; Ono 2007). From a worker’s perspective, lifetime employment refers not to a contractual state but to the experiential results of their long-term working lives. To have experienced spending most of their working lives under the institution, individual workers need to have remained employed at the same employer over the course of their working lives until reaching a mandatory retirement age set by their employers (Ito 1999). An accurate assessment of the size of the lifetime employment workforce within the country’s entire workforce hence requires micro-level data of individuals’ past employment histories and labor market behaviors.



However, such micro-data are not readily available in Japan (OECD 2004; Ono 2007). Government or semi-governmental agencies are virtually the only agencies in the country that have conducted large-scale surveys with a nationally representative sample of employees. Those public agencies, however, do not release the raw survey data. These agencies release the data only as descriptive, bivariate statistics that are arbitrarily processed for the agencies' own purposes. Longitudinal data, collected by either government or private organizations, are non-existent. Figuring the size of lifetime employment requires some approximations (Ono 2007).

To measure the size of the lifetime employment workforce, researchers, labor economists in particular, often utilize the *labor market segmentation* (LMS) (Cole 1979). The LMS method first clusters those who are employed in the country's workforce into two groups: (1) *regular employees* and (2) *non-regular employees*. Regular employees refer to those who are employed full-time and presumably on a permanent contractual basis. In the LMS method, regular employees are considered to be in the position to experience lifetime employment (Ono 2007). Non-regular employees refer to part-time workers, *arbiters* (temporary workers), dispatched workers from temp agencies, contract employees, and others (MHLW 2009). By definition, non-regular workers are considered to be part of the workforce but are excluded from the institutional framework of lifetime employment. As of 2009, regular employees accounted for about 67.0 percent of all who are employed in Japan (non-regular employees accounted for about 33.0 percent). Among men, regular employees accounted for about 82.3 percent, and the corresponding figure for women was 47.6 percent (JILPT 2010). While those working under the lifetime employment institution are among those classified as *regular employees*, by no means do

all of those whom surveys refer to as *regular employees* in a given point of time experience lifetime employment over the course of their working lives (Ono 2007).

In addition to categorizing workers as either regular or non-regular employees, the LMS method presupposes that the likelihood of experiencing lifetime employment varies essentially by the sector of employment and the size of employers rather than by job category (e.g., managerial, clerical, skilled, unskilled) (MHLW 2007). The offer of lifetime employment protection is found more typically in public sector employment than in the private sector, where it is common only at large workplaces with more than 300 employees (Koshiro 2000). Based on these assumptions, researchers who use the LMS method typically estimate that employees of the lifetime employment institution in Japan account for roughly 30 to 35 percent of the population who are employed in the country's labor market (Ono 2007).

### **2.3. Employers' Age-Based Workforce Management and Values**

In this section, I trace the contours of the lifetime employment institution as observed in the Japanese labor market today. As discussed earlier, lifetime employment as a social institution can be understood as a product of continuous interplay among three key actors in the labor market in Japan – employers, the government, and workers. This section utilizes survey data gathered and released by national government agencies in recent years. These data will be presented as evidence suggesting that each of these key actors has indeed contributed to the institutionalization of 'lifetime employment' in the labor market.

As a set of evidence of the presence and prevalence of the lifetime employment institution, the survey data that will be presented in the remainder of this section have some limitations. Unless noted otherwise, the survey data are drawn only from private-sector workplaces. As mentioned earlier, the literature commonly argues that ‘lifetime employment’ has been institutionalized more thoroughly in public-sector workplaces than in private-sector workplaces. The survey data presented in this section, therefore, are not comprehensive enough to illustrate the full scale of the lifetime employment institution in Japan.

This section begins with outlining the lifetime employment institution in Japan by presenting evidence on employer values and practices underlying the institution. I discuss the following four HRM practices commonly found under the institution: (1) *periodic hiring of new school graduates*; (2) *long-term in-company human capital investment*; (3) *seniority-based wage/salary and promotion systems*; and (4) *age-based mandatory retirement rules*. As will be discussed later, these four *ideal typical* (Weber [1904]1949, [1904]1992) human resource management practices are clearly age-based.

Next, I move on to discuss the national government – another key actor in the lifetime employment institution in Japan. The government has contributed to maintaining the institution mainly by affirming employers’ aged-based HRM practices. This section clarifies that the government affirms, and thus preserves, two sets of Japanese employers’ age-based practices: (1) setting upper age limits for hiring; and (2) implementing mandatory retirement corporate policies.

Finally, the section discusses how dynamic interplays between employers and the government has created a post-mandatory retirement workforce in the country’s labor

market – a main by-product of the lifetime employment institution today. This section illustrates that the interplay between employers and the government has created this particular workforce largely through (1) the current structure of public pension schemes, and (2) the institutionalization of ‘rehiring’ of mandatorily retired workers as non-regular employees.

#### 2.3.1. Periodic hiring of new school graduates: Recruiting the core workforce

Under the lifetime employment institution in Japan, employers typically conduct *periodic hiring of new school graduates* as the main avenue through which to recruit their core workforce (Gordon 1985). In this recruitment practice employers hire many new school graduates all at once mostly in the beginning of April, which is the beginning of the fiscal year in Japan (Seike and Yamada 2004). Large and medium-sized employers characteristically rely on this particular hiring method, although some employers regularly recruit employees year round. Corresponding to their active recruitment of recent school graduates, the majority of employers in Japan, formally or informally, set upper age limits for hiring. Many employers in Japan actually have unwritten upper age limits for hiring rather than stipulating the age limits as part of their formal corporate policies (Ono 2007). Employers who do practice this as a formal hiring policy stipulate specific upper age limits in the requirements that job seekers must meet when they apply for jobs with those employers (Wood 1991).

Data presented in **Figure 3** suggest that as of 2008, about 40.9 percent of employers in Japan reported formally setting upper age limits for hiring (MHLW 2009).

The percentages vary significantly by industrial sector ( $SD=14.4$ ). About 67.9 percent of employers in telecommunication industries reported that they formally set upper age limits for hiring, while the corresponding figure for those in the healthcare and welfare industries is 11.4 percent. By organizational size, larger employers are more likely than smaller ones to report that they formally set upper age limits for hiring ( $SD=7.5$ ). Some 49.5 percent of employers with 5,000 or more employees reported that they formally set upper age limits for hiring. The corresponding figures for those with 300-999 employees and those with 30-99 employees are 47.7 percent and 32.3 percent, respectively (**Figure 3**).

**[Figure 3 goes about here]**

Those employers who formally set upper age limits for hiring often set the upper age between the ages of 25 and 29 for college-educated job seekers including those with 2-year college, 4-year college, post-graduate, and professional school education (MHLW 2009). Data presented in **Table 2** suggest that as of 2008, about 43.8 percent of those employers who formally set upper age limits for hiring college graduates reported that the limit was between ages 25 and 29. About 77.4 percent of employers with 5,000 or more employees set their upper age limits for hiring in this age range.

**[Table 2 goes about here]**

As mentioned earlier, under the lifetime employment institution, *regular employees* comprise employers' core workforces. Employers practice *periodic hiring of new school graduates* primarily for recruiting a workforce of regular employees into their organizations. The prevalence of the periodic hiring of new school graduates as a method to recruit a *regular employee* workforce is reflected in the tendency that employers under

the lifetime employment institution are not likely to promote their *non-regular employees* to become *regular employees*. For one to be employed as a regular employee and work under the lifetime employment institution, he or she is likely to be hired fresh out of school (Seike and Yamada 2004). **Table 3** presents data about the percentage of employers in Japan who reported that they promoted their non-regular employees to regular employee status. Data presented in Table 2 suggest that as of 2008, only 10.8 percent of employers in Japan promoted their non-regular employees to regular-employee status for managerial-level positions. Even for non-managerial-level positions, only about 14.4 percent of employers reported that they allowed such promotions.

**[Table 3 goes about here]**

The prevalence of the periodic hiring of new school graduates practiced among employers under the lifetime employment institution is also suggested by the employers' reluctance to hire those job seekers who are not fresh out of school, at least as part of their core workforce (Seike and Yamada 2006). Employers under the institution often limit employment opportunities for the following two categories of job seekers: (1) *mid-career job seekers*, and (2) *freeters* (MHLW 2005; OECD 2007).

*Mid-career job seekers* are, generally, job changers. This category of job seekers refers to those who have been employed at another organization as *regular employees* and now seek to change their employers. As of 2006, only 13.3 percent of employers in Japan reported that they hired mid-career job seekers for their managerial-level job vacancies. The corresponding figures for vacancies for non-managerial-level job and skilled/qualified job were 24.5 percent and 18.4 percent, respectively (MHLW 2007).

*Freeters* is a Japanese expression referring mainly to young adults who move from one low-paying temporary and/or part-time job to another for several years after schooling without seeking stable, continuous employment (Honda 2004, 2005). For administrative purposes, the Japanese Ministry of Health, Labor, and Welfare (2004) defines *freeters* as those between ages 18 and 34, who consider themselves to have completed their schooling, and have been in the paid workforce but have experienced only non-regular employment. The category of *freeters* excludes homemakers and students (MHLW 2004).

Similar to the case of mid-career job seekers, employers in Japan are likely to exclude *freeters* from employment opportunities at their organizations. This is the case largely because employers under the lifetime employment institution tend to hold negative images of *freeters* (Honda 2004, 2005). *The 2007 Survey on Employment Management*, conducted by MHLW (2008), asked employers how they would evaluate *freeters* if they were to seek employment opportunities at their organizations. Responses provided for this survey question include: “evaluate positively,” “evaluate negatively,” “not affect their hiring decision significantly,” and “don’t know.” **Table 4** presents data of this particular survey question. Data presented in Table 2 clarify that the majority of employers in Japan (61.9 percent) reported that they would evaluate *freeters* negatively as potential job seekers at their organizations.

**[Table 4 goes about here]**

Why would the majority of employers in Japan negatively view *freeters* who seek employment at their organizations? Employers--in particular large size employers--are likely to assume that *freeters* would not possess organizational commitment over an

extended period of time. A survey question in the aforementioned *2007 Survey on Employment Management* (MHLW 2006) asked those respondents who reported that they would evaluate *freeters* negatively the reason for such an evaluation. The response choices included: “lack of perseverance to work long-term,” “lack of skills and experiences appropriate for age,” “lack of (sense of) responsibility,” and “lack of social skills for organizational life.” About 70.7 percent of employers reported that their negative evaluation would be due to their perception that *freeters* tend to “lack perseverance to work (for the same employer) long-term.”

### 2.3.2. Long-term, in-company human capital investments: Developing the workforce

As seen in the practice of periodic hiring of new school graduates, employers under the lifetime employment institution in Japan recruit their core workforces immediately after their schooling ends. When hiring, employers typically expect that newly hired workers have very little, if any, employment experience as *regular employees* prior to entering their organizations (Cole 1979; Ono 2007). In other words, newly hired workers under the institution are expected to be young (often in their mid 20s at oldest for 4-year college graduates) and simultaneously at the very beginning of their working life course (Ishida 2005; Ono 2005).

One of the reasons why employers under the lifetime employment institution hire workers at this early life/career stage is that employers typically practice *long-term, in-company human capital investment* in the newly employed workers (Gordon 1985, 1998). This particular HRM practice aims to nurture employees’ work-related capital within the



organizations over an extended period of time. Under the lifetime employment institution, rather than relying on external educational and training resources, employers often invest workplace-based resources in in-house, on-the-job training over an extended period of time beginning at employees' entrance into their organizations (Seike and Yamada 2006).

Mostly through such in-company training, employers conduct human capital investment into their newly-employed workers based on the employees' assessed personal qualities, job suitability, and potential as workers under the lifetime employment institution (Seike and Yamada 2006). A main goal of this HRM practice is to help workers accumulate skills, knowledge, and social networks that are all firm-specific (Koike 1988). Development of such firm-specific human capital is understood as one of the major factors under the lifetime employment institution in Japan allowing employers to establish and maintain their productivity and viability in an internationally competitive economy (Gordon 1985, 1998; Vogel 1963, 1979). Under the lifetime employment institution, employers assume a return on their long-term human capital investment as employees spend their entire careers within the same organizations (Ono 2007).

The prevalence of the *long-term in-company human capital investments* practiced among employers under the lifetime employment institution has resulted in creating what is referred to as *internal labor market* distinctive to Japan's workforce (OECD 2008; Seike and Yamada 2004, 2006). Generally, *internal labor market* refers to "employers' inner flexibility of human resource managements" (Freeman 2007: 8).

In the Anglo-Saxon labor market institutional model, workers' wage/salary and other work conditions are largely determined at the time of hiring. Generally, employers in this labor market institutional model do not provide workers with long-term

employment security as provided under the lifetime employment institution in Japan. Thus, fundamentally employers in such a labor market model rely on an *external labor market* (hiring and firing) for their workforce adjustment (OECD 2004).

By contrast, under the lifetime employment institution in Japan, employers are likely to shield their workforce from the dynamic of external labor markets, particularly from the constant threat of potential dismissal. In exchange for providing their workers with long-term employment security, employers are granted a considerable degree of discretion – inner flexibility for HRM – in adjusting employees’ work conditions (Ono 2007). As part of their continuous *in-company human capital investment*, employers often change employees’ work conditions by adjusting job contents, responsibilities, roles, and even workplaces (within the same organizational networks). As the operations of an internal labor market are more firmly established, in-house education and training become increasingly important for employers (Moriguchi and Ono 2004).

### 2.3.3. Seniority-based compensation increase systems: Incentives to work ‘lifetime’

*Seniority-based compensation and promotion systems* are another common element of HRM practices under the lifetime employment institution in Japan (Aoki 2001, OECD 2004). With these seniority-based systems, employers place a priority on workers’ tenure – the number of years of service with the same employer – in determining base wages/salaries and opportunities for promotion within their organizations (Moriguchi and Ono 2004). In determining workers’ compensation and promotion opportunities, in addition to tenure, many employers give some weight to job content, educational

attainment, and merit/achievement. Nevertheless, employers tend to place a greater emphasis on tenure than on other criteria (JILPT 2008).

Employers use the seniority-based compensation and promotion systems in conjunction with the aforementioned long-term in-company human capital investment and inner flexibility of human resource management (Gordon 1998). Under the lifetime employment institution, workers typically begin their career with low wages, and they are also subject to their employers' long-term, in-company human capital investment; so, employers hold considerable discretion in determining their work conditions and arrangements in the internal labor market. In this context, seniority-based compensation and promotion systems provide workers with strong incentives to stay with their employers over an extended period of time; the longer they stay with the same employers, the higher their compensation becomes and the more opportunities for promotion they receive (Aoki 1990). The seniority-based compensation and promotion systems are understood as an HRM method of increasing the incentive for employees to make a long-term commitment to a given firm (Seike and Yamada 2006).<sup>11</sup>

Coupled with the periodic hiring of new school graduates and the practice of setting upper age limits for hiring previously discussed, seniority-based compensation and promotion systems closely link workers' chronological age, tenure, wage/salary, and position within the organizational hierarchy (Aoki 2001). First, such age-based HRM practices as periodic hiring of new school graduates and the practice of setting upper age limits for hiring link workers' chronological age with tenure. Within an organization, an

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<sup>11</sup> Existing administrative surveys do not release useful data showing the positive correlation between seniority (tenure) and opportunities for promotion as facilitated by employers under the lifetime employment institution.

age-cohort with similar educational attainment (e.g., 4-year college education) is likely to have served the same employers for a similar number of years (tenure) (Moriguchi and Ono 2004). Second, seniority-based compensation and promotion systems tie workers' tenure with their wages and organizational positions. Compensation and positions (promotions) rise with the length of service within the company (Gordon 1985, 1998; Shirai 1992).

Data presented in **Table 5** suggest that employers use workers' chronological age and tenure as the most important factors in determining compensation. As of 2008, some 71.8 percent of employers in Japan reported that they used "Age or Tenure" as one of the factors to determine wages/salaries of employees occupying non-managerial-level jobs in their firms.<sup>12</sup> This figure is substantially higher than that for other factors such as "Merit (performance results/achievements)" (44.4%) or "Education (education attainment)" (20.5%). The percentages of employers who reported using the "Age or tenure" factor do not vary significantly by industrial sector ( $SD = 7.510$ ) or organizational size ( $SD = 2.786$ ). Nonetheless, the larger employers are somewhat more likely than smaller ones to report that they used "Age or Tenure" as one of the factors to determine wages/salaries of such employees (**Table 5**).

[Table 5 goes about here]

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<sup>12</sup> As exemplified by this administrative survey, *The 2008 General Survey on Working Conditions* (MHLW 2009), government and administrative surveys often combine age and tenure to create a response item in surveying the relation between the two individual characteristics and employee compensations. Such authoritative national surveys do so mainly because the two factors – age and tenure – often closely follow each other for individual workers in the country's labor market.

How unique is the close linkage among workers' chronological age, tenure, and rising pay that is often found under the lifetime employment institution in Japan in comparison with other industrialized countries' labor markets?

**Figure 6** presents cross-national comparative data of *age-wage curves* across the following six industrialized countries: Japan, U.K., Germany, France, Italy, and Sweden. While slightly outdated (from 2002), these data help to compare age-wage curves for employees sharing similar characteristics across those six countries – in particular, male employees working in manufacturing sector industries. Data presented in **Table 6** suggest that the age-wage curve among such employees for Japan is clearly steeper than those for other countries. That is, for each additional year of tenure or of age that a worker has, his/her wages increase proportionally more in Japan than in other countries. The wage gap between the two youngest age groups of male employees in manufacturing sector industries in Japan – age groups 29 and younger and 30 to 35 – is moderate in comparison with that of some other industrialized countries. If the wages of age group 29 and younger represent 100.0 percent, that of age group 30 to 39 is 136.6 percent for Japan. The corresponding figures for the U.K. and Germany are 142.2 percent and 147.6 percent, respectively (**Figure 5**). However, as we move on to older age groups (age group 40 to 49 and age group 50 to 59), we see that the figures for Japan clearly exceed those of other industrialized countries. Again, if the wages of age group 29 and younger are 100.0 percent, those of age group 40 to 49 and age group 50-59 are 163.8 percent and 181.8 percent for Japan, respectively. The corresponding figures for the UK, for instance, are 152.1 percent and 145.9 percent (**Figure 5**).

[Figure 5 goes about here]

The age-wage curve for Japan is also unique compared to those of other countries in that the curve shows an abrupt drop when we move from age groups 50-59 to age group 60 and older. Some institutional factors of the lifetime employment institution help account for this unique tendency. As will be discussed in more detail later, under the lifetime employment institution, employers have been given distinctive discretion in substantially reducing employees' wages after they reach mandatory retirement age (mostly by age 60 in 2002) (Yamada and Higo, forthcoming).

**Figure 6** presents cross-national comparative data of *tenure-wage curves* of the aforementioned category of workers – male employees working in manufacturing sector industries – across the same six industrialized countries. Data presented in **Figure 6** were gathered in 2002, the same year as those in **Figure 5**. Compared with those in other countries, a tenure-wage curve among such workers in Japan is clearly steeper. If the wages of those who have served the same employers for 1 to 5 years represent 100.0 percent, then the wages of those who have served the same employers for 30 years and longer was 187.7 percent for Japan. This figure is much greater than that for the U.K. (130.7 percent), Germany (137.9 percent), France (128.3 percent), Italy (123.9 percent), and Sweden (120.5 percent) (**Figure 6**). As shown in the case of male employees in the manufacturing sector of industry, workers under the lifetime employment institution seem to experience wage/salary increases as they age while working for the same firms. In other words, their chronological age, tenure, and wage/salary are positively correlated with each other.

**[Figure 6 goes about here]**

In the Japanese labor market, men and women experience different interactions among their chronological age, tenure, and wage/salary. Although useful data of correlation between age and promotion are not available for this section, it is reasonable to assume that women's experiences of age and opportunities for promotion are different from men's (Sodei 2005).

First, generally, women are much less likely than men to experience pay raises (increase in wage/salary) as they age. **Figure 7** presents data showing the gender wage gap by age group between male and female employees in Japan's manufacturing sector industry in 2002. For men, wage/salary steadily increases as they age until age group 50 to 59. If the wages of age group 29 and younger equal 100 percent, those of age groups 30 to 39, 40 to 49, and 50 to 59 among men are 136.6 percent, 163.8 percent, and 181.8 percent, respectively. The corresponding figures for women are 117.1 percent, 106.3 percent, and 101.4 percent, respectively (**Figure 7**).

**[Figure 7 goes about here]**

Second, similar to the case of men, generally, women experience pay raises with their tenure; the longer they continuously serve the same employers, the higher their compensation becomes. **Figure 8** presents data suggesting the tenure-wage curve by gender among employees in the manufacturing sector industry as of 2002. For both men and women, those who serve the same employer for a greater number of years are likely to receive higher wages/salaries. If the wages of those who have served the same employers for 1 to 5 years are 100 percent, then the wages of those who have served the same employers for 10 to 14 years is 131.1 percent for men and 119.3 percent for women, respectively. The corresponding figures for those who have served the same employers

for 30 years and longer are 187.7 percent for men and 165.5 percent for women, respectively (**Figure 8**). Each of these two figures is clearly greater than the figures for those who have served the same employers for fewer years.

**[Figure 8 goes about here]**

Data presented in **Figures 7 and 8** altogether suggest at least two tendencies with respect to gender differences in terms of tenure and wage/salary increase. First, in contrast to the gender differences in the age-wage curve (**Figure 7**), wage/salary for both male and female employees increase with their tenure (**Figure 8**). We may say that women's wages/salary are likely to increase with their tenure. Women in Japan's labor market are, however, much more likely than men to experience discontinuities in employment history due largely to the social expectation for Japanese women to serve as caregivers, which affects their labor force participation well into their old age (JILPT 2007). As with child-care, women assume greater responsibility for the care of society's elderly, including care for parents, in-laws, and spouses, than do their male counterparts (Sasatani 2005). Therefore, men are more likely than women to experience the seniority-based wage/salary systems. Second, working for the same employer for a similar number of years, the increases in wages/salary for women are smaller than for men.

#### 2.3.4. Mandatory retirement corporate policies: Terminating 'lifetime employment'

The vast majority of employers in Japan implement *mandatory retirement corporate policies*. With these policies, employers mandate that workers 'retire' from



their career jobs, regardless of their will, when workers reach a certain age (Williamson and Higo 2009).

From a personnel economics point of view, as Lazear (1979) famously argues, implementing mandatory retirement is an integral part of labor markets characterized by steep age-wage curves. Regular pay raises make economic sense when workers become and remain productive due to employers' long-term human capital investment. However, organizations are unable to limitlessly keep raising workers' compensation. This is the case partly because workers' productivity can not keep increasing indefinitely.

Employers also need to allocate their organizational resources for human capital investment in younger workers in order to remain economically competitive (Lazear 1979). Thus, the lifetime employment institution as characterized by both employers' long-term human capital investment and workers' long-term loyalty to their firms necessarily results in the implementation of mandatory retirement rules (OECD 2004).

**Figure 9** presents data on employers in Japan who reported that they implement mandatory retirement corporate policies. According to the data presented in **Figure 9**, as of 2009, about 95.3 percent of employers in Japan reported that they implemented mandatory retirement corporate policies. The percentages show very little variation among 13 different industrial sectors ( $SD = 3.27$ ) and four different organizational sizes ( $SD = 2.77$ ); regardless of their industrial sector or organizational size, most employers in the Japanese labor market (more than 90% of them) mandate that workers leave their workplaces upon reaching the age set by their mandatory retirement corporate policies. Nonetheless, as **Figure 9** suggests, larger employers are slightly more likely than smaller ones to implement mandatory retirement. Some 99.8 percent of employers with 1,000 or

more employees reported that they implemented the corporate policies. The corresponding figures for those with 300-999 employees, those with 100-299 employees, and those with 30-99 employees are 99.7 percent, 98.4 percent, and 93.9 percent, respectively (**Figure 9**).

**[Figure 9 goes about here]**

Today, most employers with mandatory retirement corporate policies set age 60 as the age criteria for compulsory retirement. Data presented in **Table 5** show that as of 2009, about 86.6 percent of employers in Japan who reported that they implement mandatory retirement policies in their workplaces set age 60 as the age at which they mandate that workers retire from their firms. The percentages show little variation among 13 different industrial sectors ( $SD = 8.60$ ) and four different organizational sizes ( $SD = 4.53$ ); regardless of their industrial sector or organizational size, most employers who implement mandatory retirement corporate policies set age 60 as the retirement age criterion (**Table 6**). As will be discussed below, this age criterion for compulsory retirement seems aligned with the age up to which many employers in Japan perceive workers retain their ability to work.

**[Table 6 goes about here]**

In 2004, the Japan Institute of Labor Policy and Training (2005) conducted *The 2004 National Employer Survey on Future Prospects of Middle-Aged and Older Employee HRM*, a national opinion survey with a nationally representative sample of 823 employers in Japan. This survey includes some questions asking employers' opinions about how workers' chronological age is related to their ability to work.

Employers are asked the following three questions: (1) “At what age do you think your employees’ work-related competencies and abilities reach their peak?,” (2) “Up to what age do you think your employees remain able to work without special aid or assistance?,” and (3) “Up to what age do you think your employees remain able to work if some special aids are provided?” According to the survey results, on average, employers in Japan perceive that generally workers reach their peak of competence and ability at around age 43.8. Employers perceive that generally workers remain able to work until age 54.9 without any special aid. If special aids are provided, workers are perceived to remain able to work potentially up to age 61.8, which corresponds to the age around which most employers mandate retirement.

## **2.4. Government’s Affirmation of Employers’ Aged-Based Practices**

Employers are not alone in institutionalizing ‘lifetime employment’ within the Japanese labor market and reproducing it over time. The national government too is a crucial contributor to maintaining the institution. The national government of Japan contributes to maintaining the lifetime employment institution mainly through its arm-length, not over-reaching, approach to regulating the country’s labor market (Dore 2004; Gordon 1998; OECD 2004). The government does this primarily by affirming two of the employers’ age-based HRM practices under the lifetime employment institution: (1) hiring (recruitment of the core workforce), and (2) firing (mandatory retirement).

### **2.4.1. Affirming age restrictions for hiring**

As discussed earlier, one of the common employer practices under the lifetime employment institution in the Japanese labor market is to set upper age limits for hiring (see **Figure 3** and **Table 2**). To date, the government has never taken strong initiatives to diminish such age-based employer practices (Higo and Yamada 2009a). Since its first enactment in 1966, the *Employment Measure Law*<sup>13</sup> has been one of the pillar labor laws regulating the country's external labor market - hiring and firing practices in particular (JILPT 2009). This law did not explicitly prohibit employers from setting upper age limits for recruitment or hiring of their workforces (Ono 2007). It is in the latest amendment of the law in 2007, effective since October 1<sup>st</sup>, 2007, that a new article first addressed “anti-age discrimination in relation to recruitment and hiring” (Article 10). This new article has formally placed employers under legal pressure to abolish this particular practice. To date, however, the effect of this new article has remained very minimal; under this law, employers are merely placed under a set of legal obligations to make efforts to improve their corporate practices related to age restrictions for recruitment and hiring (Sakuraba 2007). The Japanese government's administrative regulations conventionally take two forms: formal requirements and administrative guidance. Article 10 of the 2007 amendment of the *Employment Measure Law* falls under the latter category – administrative guidance – which, in effect, carries no substantial legal penalty for non-compliance (Ono 2009).

#### 2.4.2. Affirming mandatory retirement corporate policies

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<sup>13</sup> Law No. 132 of July 21, 1966 (MHLW 2009).

We have discussed that the vast majority of employers in Japan implement mandatory retirement corporate policies (see **Figure 9** and **Table 6**). The government's contribution to maintaining the lifetime employment institution may also be found in its substantial affirmation of this particular employer HRM practice characteristic of the institution (Aoki 1990, 2001; Dore 2004). The corporate practice of age-based compulsory retirement was once prevalent in many workplaces in the U.S. and the U.K (Macnicol 2006). The governments of these countries, however, have abolished this employer practice in most areas of employment, viewing it as a form of age discrimination or an expression of negative ageism against older workers (Marshall 2007; Walker 2005). To date, the Japanese government has not taken any substantial measure aiming to abolish mandatory retirement corporate policies (Higo and Williamson 2009).

Anticipating a severe workforce shortage in the decade ahead, it is imperative today for the Japanese government to prolong older adults' working lives in order to increase the aggregate hours of labor supplied by them (Williamson and Higo 2007). It may be reasonable to assume that in pursuing this goal, the government will find it necessary to abolish employers' practice of mandatory retirement. This may be the case since mandatory retirement rules are the most obvious institutional barrier in the Japanese workforce to the continued working lives of those who reach age 60 and older and are willing to remain economically active (Seike and Yamada 2004). However, in order to maintain the country's economic vitality in the midst of the increasingly competitive global economy, the government is also facing unprecedented pressures not to force employers, in particular large-sized employers, to drastically change their long-

established HRM practices. Under the lifetime employment institution, older workers have been rendered too costly for most employers to retain as they search for greater efficiency in management of human resources (Williamson and Higo 2007). In this context, maintaining mandatory retirement corporate policies has come to stand as the most important HRM practice for employers in Japan to maintain their business competitiveness (Seike and Yamada 2006).

Thus, to date much of the government effort to prolong older adults' working lives does not so much revolve around working toward abolishing mandatory retirement in the country's workforce. Rather, the government has aimed to negotiate with employers a gradual increase in the age criteria set for mandatory retirement corporate policies. The *Law Concerning the Stability of Employment Opportunities for Older Persons*<sup>14</sup> (the *Law*, hereafter) has been the most basic legislative framework within which the national government has negotiated with employers (Williamson and Higo 2007, 2009). This law has been continuously revised and amended to date. The 1986 amendment of the *Law* required that employers propose specific workplace measures that they would take to increase the age for mandatory retirement from 55 to 60 and announce them to the government, labor unions, and employees (MHLW 2006). Through the 1994 partial revision of the *Law*, the government fully mandated that employers set the minimum mandatory retirement age at 60 or older and simultaneously issued administrative guidance for employers to endeavor to reform existing workplace policies and practices so as to get prepared for further increasing the minimum age to 65 (JILPT 2009).

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<sup>14</sup> Law No. 68 of May 25, 1971 (MHLW 2009).

The latest amendment of the *Law*, effective since April 2006, has mandated that employers implement at least one of the following three measures by April 2013: (1) fully abolish mandatory retirement rules in the workplace, (2) set the minimum age for mandatory retirement at 65 or older, or (3) introduce employment policies aimed at continuing to employ older workers until they are at least age 65 (MHLW 2006). As of today, few employers have abolished mandatory retirement rules due primarily to older workers' high wages relative to what employers perceive as their actual productivity at work (Seike and Yamada 2006). With the second option, employers would have to continue to employ older workers without changing their employment status, job contents, or wages at least until age 65. The last option does not mandate that employers unconditionally guarantee secure employment of older workers until age 65, rather it merely requests that employers introduce measures that aim to provide their older workers with opportunities to remain employed at least until age 65. In balancing the pressure to reduce costs associated with human resources in today's economy and the requirements of the latest revision of the *1986 Law*, as of today most employers in Japan have chosen the last option and have re-employed mandatorily retired workers who have reached age 60 in temporary or part-time positions with reduced wages and responsibilities (Williamson and Higo 2007).

As seen in the 2006 amendment of the *Law*, the government has remained subject to institutional inertia. While offering employers an option to abolish mandatory retirement corporate policies, the government has certainly provided them with ways to continue this particular employer practices characteristic to the lifetime employment

institution. Employers are still able to mandate that workers retire from their workplaces with substantially no penalty (Yamada and Higo, forthcoming).

## **2.5. Structural Production of the Post-Mandatory Retirement Workforce**

Contrary to its name, in essence the institution of ‘lifetime employment’ does not retain workers for the duration of their lifetime. One of the most blatant pieces of evidence for this contradiction is the growing size of post-mandatory retirement population joining the country’s labor force (Higo and Lee, forthcoming). Especially today, rather than covering individuals’ entire *life* course, the lifetime employment institution encompasses the course of individuals’ *working* lives. That is, ‘lifetime employment’ as practiced by employers and maintained by the government in Japan has contributed to institutionally defining how long an individual may and/or should remain economically active as an employee within the span of his or her life course (Higo and Yamada 2009ab).

Over roughly the last two decades, the interplay between the employer and the government in Japan has gradually produced a large number of *post-mandatory retirement workers*. The post-mandatory retirement workforce consists of those who worked fully under the lifetime employment institution, from recruitment through mandatory retirement, and yet remain economically active as employees even after their mandatory retirement. Many of the post-mandatory retirement workers remain in the labor force due largely to their perceived economic necessity (Williamson and Higo



2009).<sup>15</sup> The systematic generation of the country's growing post-mandatory retiree presence within the workforce at large is another major characteristic of the institution of lifetime employment in Japan today (JILPT 2007).

The interplay between employers and the government has systematically produced and reproduced over time a post-mandatory retirement workforce within the country's labor force mainly through the following two avenues: (1) structure of the current public pension scheme; and (2) institutionalization of 'rehiring' practices for mandatorily retired workers.

#### 2.5.1. Current structure of the public pension scheme

The current structure of the public pension scheme in Japan causes most workers under the lifetime employment institution to have a strong economic need to remain economically active beyond age 60 – the most common age criterion set for corporate mandatory retirement policies. This economic need to remain in the labor force is particularly important for workers between ages 60 and 65. The interplay between employers' mandatory retirement policies and the structure of the public pension scheme

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<sup>15</sup> Quinn and Kozy (1996) use the term bridge-job workers to refer to those workers who are in transition between full-time employment and complete withdrawal from the workforce. As a way of experiencing phased retirement, bridge-job workers often change their employers and/or work conditions (e.g., work schedule, hours worked, place of work, etc.) and continue "working-in-retirement" until they are eligible for a certain expected amount of pension benefits (Quinn and Kozy 1999: 12). At least as far as the U.S. labor market institutional structure is concerned, workers become bridge-job workers often based on individual choice rather than due to structural pressure. In contrast, many post-mandatory retirement workers in Japan may be understood as 'forced' bridge-job workers (Higo 2006).

has contributed to generating this economic need to remain at work at least until age 65 (Williamson and Higo 2007).

The Japanese public pension scheme consists of two tiers: National Pension Plan (NPP) and Employees' Pension Insurance (EPI).<sup>16</sup> The NPP is financed on a pay-as-you-go basis with approximately one-third of the cost paid for by the *Social Insurance Agency*,<sup>17</sup> part of the national government, and the other two-thirds by contributions from all adult citizens between the ages of 20 and 59. Even those who are not in the labor force, including students and housewives, must contribute. The NPP is financed with a flat-rate contribution of approximately US\$113 per month and awarded to those who have paid monthly premiums for at least 25 years. The age of eligibility for full NPP benefits, which in 2008 amounted to approximately US\$780 per month, is 65 (MHLW 2008).

The EPI is funded by a payroll tax of 13.58 percent that is split evenly between employers and employees. The EPI is an earnings-related benefit that replaces approximately 28.5 percent of the average worker's wages. Workers become eligible for this pension when they reach the age criteria for mandatory retirement set by corporate policies and leave their 'lifetime' workplaces. Thus, typically workers under the lifetime employment institution become eligible for their EPI benefits at around age 60. In other

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<sup>16</sup> Those who work in public and quasi-public sectors participate in a program called Mutual Pension Aid instead of the Employees' Pension Insurance program. The contribution and benefit mechanisms of this employment-related public pension scheme are substantially the same as Employees' Pension Insurance (EPI) (Williamson and Higo 2007).

<sup>17</sup> Since January 1, 2010, the national government has begun conducting a substantial restructuring of the Social Insurance Agency and organized a new public agency named *Japan Pension Service* (MHLW 2010).

words, there is about a five-year gap between when a worker becomes eligible for full benefits of the NPP and of the EPI (MHLW 2008).

Neither the benefit structure of the NPP nor the EPI gives workers an incentive to retire from the labor force early. With few exceptions, such as when a worker suffers from serious illness or disability, workers must continue working until age 60 to receive the EPI benefits, and then to age 65 to become eligible for full NPP benefits. When we consider the combined effect of receiving full benefits from both the NPP and EPI, the replacement rate of pre-retirement income for the average worker is around 60 percent. In 2006, on average, this came to about US\$2,700 per month (Williamson and Higo 2007).

Evidence from a recent survey conducted by the Japanese Ministry of Health, Labor and Welfare makes it very clear that the vast majority of workers in Japan age 60 and older remain in the labor force primarily to maintain their standard of living, that is, for economic reasons. **Figure 10** presents data showing that in 2008, about 63.5 percent of workers between the ages of 60 and 64 reported that they were remaining in the labor force for “economic reasons.” There are several other reasons that are mentioned by at least some workers. “Social participation,” “asked to work,” and “to remain healthy” are all mentioned; but the number of workers who selected one of these options as the primary reason is very small relative to the number of those who selected the “economic reasons” category. The vast majority of those workers (age 60-64) who were still in the labor force for economic reasons—89.9 percent of them, as suggested in Figure 10--reported that their goal was not to improve their standard of living, but rather to maintain it as closely as possible to the level they had achieved by their late 50s (Williamson and Higo 2007, 2009).

[Figure 10 goes about here]

### 2.5.2. Institutionalization of ‘rehiring’ practices for mandatorily-retired workers

As discussed earlier, the current law – the 2006 amendment of the *Law Concerning Stabilization of Employment of Older Persons* – has required that employers in Japan comply with one of the following three options by April 2013: (1) Fully abolish mandatory retirement rules in the workplace; (2) set the minimum age for mandatory retirement at 65 or older; or (3) introduce employment policies aimed at maintaining older workers’ employment until at least age 65. Instead of choosing to comply with the first two options, the majority of employers in Japan have chosen the third option – developing and implementing rehiring policies at their workplaces for those employees who reach mandatory retirement age (usually age 60). Under this rehiring option, employers are still allowed to force workers to retire once they reach the mandatory retirement age. Employers are then required to re-hire them but are allowed to change their work conditions (e.g., wage/salary, hours worked, job content, etc.) (Yamada and Higo 2010).

**Figure 11** presents data from the years 2006 through 2009 on the trends of the shares of employers in Japan who report that they have implemented either rehiring policies or policies allowing workers to continue their regular employment beyond conventional mandatory retirement age, or, a combination of these two policies. Data presented in Figure 11 suggest that as of 2006 some 65.7 percent of employers in Japan reported that they had implemented rehiring policies only. The corresponding figures for

“continued regular employment policy only” and “both policies” are 18.2 percent and 16.1 percent, respectively. The share of employers who report that they have implemented a rehiring policy only has steadily increased from 2006 through 2009 (about 69.8% in 2007, 74.3% in 2008, and some 79.5 % in 2009). As **Figure 11** shows, by contrast, the share of employers who report that they have implemented a continued regular employment policy only has steadily fallen. In 2007, some 17.5 percent of employers in Japan reported that they had implemented a continued regular employment policy only; that figure fell to 13.9 percent by 2008 and 11.3 percent by 2009 (**Figure 11**).

**[Figure 11 goes about here]**

Since the enactment of the current law in 2006, most employers in Japan have chosen to re-hire the employees who have reached the age criteria of their mandatory retirement corporate policies, rather than continuing to employ them beyond the retirement age without changing their work conditions. Over the last few years, this tendency has become more obvious – within the current policy framework more and more employers in Japan practice rehiring of their mandatorily retired employees (JILPT 2010)

In this last option – rehiring employees who reach mandatory retirement age – the government allows employers to change workers’ employment conditions including wages, employment status, and job contents when they reach mandatory retirement age. Under this policy arrangement, employers in Japan typically re-hire those who have reached mandatory retirement age and downgrade their employment status from regular to non-regular. This downgrading practice typically includes rehiring employees in

temporary or part-time positions with reduced wages and responsibilities (Seike and Yamada 2004, 2006).

As data presented in **Table 7** suggest, most employers who have implemented rehiring policies at their workplaces make significant changes to the terms of employment for those who have reached mandatory retirement age and been rehired by the same employers. As **Table 7** shows, as of 2008, some 47.2 percent of these employers reported that they reduce post-mandatory retirement employees' work schedules (hours worked). About 81.9 percent of employers with rehiring policies at their workplaces reported that they reduce post-mandatory retirement employees' base wage/salary. With their rehiring policies, many employers (46.7%) in Japan reported that they had no wage/salary increase policies for post-mandatory retirement employees and that they do provide them with annual bonuses and other benefits but at smaller amounts than those for regular employees (46.7%). About 83.7 percent of employers with rehiring policies at their workplaces reported that they provide post-mandatory retirement employees with no employer/company pension plans beyond what they paid into while they were still regular employees (**Table 7**).

**[Table 7 goes about here]**

Employers' rehiring of employees who have reached the age of mandatory retirement fixed by corporate policies also often involves *relocation of post-mandatory retirement employees' workplaces* (Seike and Yamada 2006). Employers often transfer post-mandatory workers to other workplaces or even other organizations that operate within the same employers' networks, often referred to as *keiretsu* networks (Gilson and Roe 1993; Miwa and Ramseyer 2003). *Keiretsu* networks refer generally to alliances among

employers that are integrated around major banks. In the Japanese labor market, major banks lend money to the *keiretsu* member-companies and hold equity shares in the companies. Each bank holds control over and monitors the *keiretsu* member-companies and acts as an emergency bail-out agent (Miyashita and Russell 1995). The *keiretsu* structure is, according to Lincoln and Gerlach (2004), considered the ultimate guarantor of the lifetime employment institution. If a *keiretsu* member company gets into trouble and must lay off its employees, the other *keiretsu* companies are expected to provide those workers with jobs. *Keiretsu* networks are often considered to be one of the essential elements constituting the institution of lifetime employment in Japan today, and they have played a key role particularly in the facilitation of rehiring practices and in generating the post-mandatory retirement workforce within the Japanese labor force at large (Lincoln and Gerlach 2004).

The government, in addition to requiring employers to take steps toward lengthened retention of older workers, has also contributed to generating the country's post-mandatory retirement workforce by providing employers with financial assistance aimed to help employers retain their older employees in some capacity at least until age 65 (MHLW 2009). Since 2006, the government has provided the *Employment Continuation Benefit for the Aged*. This is a de facto subsidy program aiming to compensate workers aged 60-64 who experience a wage reduction of more than 25 percent after reaching the mandatory retirement age set by their workplaces. In FY2007, the government spent about US\$1.4 billion on this program (JILPT 2010). This policy relieves employers from some of the financial pressures associated with paying otherwise

high wages to these workers, which in turn serves as a financial incentive for employers to continue to employ these older employees.

## **2.6. Historical Process of the Institutionalization of Lifetime Employment**

This section delineates the historical process through which ‘lifetime employment’ as discussed above has come to be institutionalized as the foundational labor market institution in Japan. The lifetime employment institution has become known in the literature outside the country roughly since the end of the 1950s, parallel to the rise of the country’s economy on the world scene around this time. The origins of the lifetime employment in Japan, however, trace back to the so-called interwar period, from roughly the end of the 1910s to the end of the 1930s. From this period on, continuous interplay among the three actors of the country’s labor market – employers, the government, and workers – has gradually formulated the lifetime employment institution in Japan as we know it today. This section discusses the historical development of the institution from the interwar period through the bursting of the asset bubble economy in the early 1990s.

The previous section discussed that typically, the following five Japanese employer HRM practices comprise the lifetime employment institution: (1) *periodic hiring of new school graduates*; (2) *long-term, in-company human capital investment*; (3) *use of seniority-based wage/salary and promotion systems*; (4) *implementation of age-based mandatory retirement rules*; and (5) *systematic production and management of post-mandatory retirement workers*. This section discusses the ways in which the first



four employer HRM practices have been institutionalized over time in conjunction with their interplay with the government and workers.

Based largely on Ono's (2007) historical study of the institutional development of lifetime employment in Japan, this section discusses the historical development of the institution by dividing the developmental process into the following five phases:

- (1) The creation phase: The beginning of the 1920s through the end of the 1930s
- (2) The post-war occupational reform phase: The mid 1940s through the early 1950s
- (3) The 'high-growth' phase: The 1960s through the mid 1980s
- (4) The 'oil crisis' phase: From 1973 to 1976
- (5) The phase of the 'bubble economy' and its aftermath: The mid 1980s through the early 1990s

#### 2.6.1. 1920s-1930s: The Interwar period – Emergence of 'lifetime employment'

The origin of the lifetime employment institution in Japan can be found in *corporate welfarism* that emerged during the interwar period, from 1919 to 1939 (Hazama 1978). World War I (1914-18) contributed largely to fostering the country's industrialization.<sup>18</sup> By the early 1920s, the country experienced a rapid growth of heavy-manufacturing industries such as shipbuilding, steel, mining, transportation, and industrial-machinery manufacturing (Hyodo 1971).

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<sup>18</sup> Historians commonly identify that Japan's industrialization fully began during the 1880s. This is the time in which the country expanded export industries such as textiles (Ishida 2005). The World War I is often understood as a factor further facilitating the country's industrialization by developing heavy-manufacturing industries in the country.

In the midst of such rapid industrialization of the country as a whole, some large employers, particularly those who grew larger in size, faced two major challenges. First, they began experiencing an increasing shortage of skilled workers. Second, production technology and work organization became increasingly firm-specific (Ishida 2005). These challenges prompted such employers to invent practices that contributed to formulating at least the bases for the following four employer practices characteristically observed under the lifetime employment institution today: (1) periodic hiring of new school graduates; (2) long-term, in-company human capital investment; (3) use of seniority-based wage/salary and promotion systems; (4) implementation of age-based mandatory retirement rules

Employers often tended to view skilled workers as characteristically lacking in long-term commitment and loyalty to their employers. In order to address an increasing shortage of skilled workers, some leading employers began developing mechanisms *for long-term, in-company human capital investment* (Gordon 1985). During the 1920s, some of the leading employers established corporate-funded apprenticeship schools (Hazama 1978). Rather than relying on public vocational schools, these employers attempted to use such facilities to train their future workforce and recruit the apprentices into their workplaces immediately after their schooling. Those employers also aimed to retain those trained and skilled workers over an extended period of time. Today's employer practice of *periodic hiring of new school graduates* is believed to be rooted in this hiring of graduates fresh from the corporate-funded apprenticeship schools during the 1920s (Ono 2007). However, a majority of apprentices left their employers after, if not during, training for other employers who offered better compensation (Hyodo 1971; Hazama

1978). Ono (2007) documents that during the 1920s, labor turnover among male workforce often exceeded an annual rate of 80 percent.

Gradual firm-specification of production technologies and work organization was another growing and unprecedented challenge to many leading employers during the 1920s (Ishida 2005). This trend further prompted employers to invent HRM measures to retain skilled workers over an extended period of time. To reduce labor turnover, employers introduced at least two types of pecuniary incentives.

The first type was the introduction of *seniority-based wage/salary and promotion systems* into the process of determining workers' wages and job positions. Prior to the introduction of these systems, workers' base wages were largely fixed by their job categories regardless of their length of service. In addition to offering wage increases based on seniority, many employers used merit/achievement-based pay raise systems as well (Gordon 1985). The second type of pecuniary incentive is provisions of a retirement allowance. During the 1920s, very few employers mandated compulsory retirement for workers who reached a certain age, at least not as a formal corporate policy. Nonetheless, most workers exited the paid labor market around their mid-50s (Ito 1999; Gordon 1985). Employers' provision of a retirement allowance is considered one of the earliest employer practices that contributed to institutionalizing employers' implementation of mandatory retirement corporate policies in particular and retirement as a phase of the life course in the society at large (Seike and Yamada 2006).

Employers originally provided these two types of pecuniary benefits only to a fixed percentage of highly skilled workers. These benefits were based largely on employees' length of service, and they instituted retirement allowances that increased

according to employees' years of service. By the mid-1930s, many leading employers in the country made these benefits available to the rest of their workforces across job categories (Gordon 1985).

This type of corporate welfarism during the interwar period was conducted by a minority of major prosperous employers in the country. Such employers consisted of no more than a few hundred large private and state-owned establishments, including Mitsubishi Shipyards, Sumitomo Metals, Hitachi Engineering, and Yahata Ironworks (Ikeda 1987). Furthermore, during the interwar period, employers still retained considerable discretion over qualifying or disqualifying individual employees as well as modifying or discontinuing these practices at will with legal impunity (Gordon 1985).

At the same time that corporate welfarism was developing, the interwar period was also characterized by successive downturns of the Japanese economy due largely to the 1921 post-WWI recession, the 1923 Kanto Great Earthquake, and the 1926 Financial Crisis (Aoki 1990; Gordon 1985). The greatest challenge to the economy was posited by the Great Depression (1929-31); a large number of employers reduced wages, cancelled pecuniary benefits, and undertook large-scale layoffs. These successive economic downturns prompted the national government to intervene in the labor market. Fearing the social disorder that could result from increasingly widespread unemployment across the country, the government began exhorting leading employers not to dismiss workers. Labor unions were emerging nationwide around the early 1930s (Ito 1999). Together with growing labor unions, the government urged that leading employers develop measures to avoid large-scale layoffs (Ishida 2005).

In response to the government intervention and union pressures, leading employers began relying on temporary workers to fill short-term workforce needs, rather than swelling the ranks of regular, permanent employees to a point that would necessitate mass layoffs as a method of workforce adjustment. Later, this practice came to be the basis for the inclusion of *regular employees* into and the exclusion of *non-regular employees* from the lifetime employment institution, which is an essential characteristic of this institution in Japan to date (OECD 2004). Employers began utilizing temporary workers primarily as a buffer to insulate their core (invested and trained) workforces – namely, *regular employees* – from business fluctuations. Prior to the early 1930s, temporary workers were commonly promoted to regular employee status after a short probationary period (Hazama 1978). However, by the mid-1930s, the status of temporary workers became fixed indefinitely; they were hired under short-term renewable contracts and laid off first when workforce adjustments were necessary. Temporary workers were also disqualified from retirement allowance plans, so the cost of dismissing them was significantly lower than that of dismissing regular employees (Hazama 1978; Hyodo 1971).

During the 1930s, the government also started developing complementary labor law (Koshiro 1983). Prompted mainly by rising unemployment, the government proposed a national unemployment insurance bill in 1932. This law, the Employment Insurance Law,<sup>19</sup> mandated that every employer (with 30 or more employees) establish a retirement allowance fund for each employee and pay the allowance in case of job separation. Affirming prevailing employer practices, however, the law still granted employers a

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<sup>19</sup> Law No. 116 of December 28, 1931 (MHLW 2009).

considerable degree of discretion in determining the amount of the allowance based on an employee's length of service and the reason for separation. After the enactment of the law in 1936, retirement allowance plans proliferated in smaller-sized establishments in the country's workforce<sup>20</sup> (Higo and Yamada 2009b).

#### 2.6.2. 1940s-1950s: The Post-WWII period – Institutionalizing 'lifetime employment'

Immediately after Japan's surrender in World War II in 1945, the Supreme Commander for the Allied Powers (SCAP) placed the country under SCAP's indirect governance. Shortly after the war, Japan's labor market was characterized primarily by an explosion of labor movements across the country (Cole 1971, 1979; Koike 1988). The Trade Union Law<sup>21</sup>, enacted in 1949, for the first time in Japan's history recognized workers' right to collectively bargain on their work conditions. However, even before the enactment of this law, there was an explosion of the labor movement led by Japanese workers under the slogan 'democratization of management' (Koshiro 1983). The pre-war peak of union density (the proportion of union membership in the country's total labor force) was only eight percent; by 1946 this figure rose to about 42 percent (Ono 2007).

In many cases of unionization, workers in Japan spontaneously organized what is often referred to as an 'enterprise union.'<sup>22</sup> Typically, enterprise unions consisted of both

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<sup>20</sup> The Smaller Enterprise Retirement Allowance Mutual Aid Act (Law No. 126 of April 24, 1936).

<sup>21</sup> Law No. 174 of June 1, 1949 (MHLW 2009).

<sup>22</sup> 'Enterprise union' in the context of Japanese labor market is also referred to as an 'in-company union' (see, OECD 2004).

white-collar and blue-collar workers of regular employment statuses within the same workplaces or organizations (Koshiro 1983). Rather than organizing workers of similar job category across organizations, enterprise unions in Japan were organized mostly within individual organizations across job categories. In contrast to the pre-war unions, newly organized post-war unions forcefully demanded the equal treatment of all employees, contractual employment guarantee/security, and direct participation in management. This way, post-war unions aimed to improve workers' status, welfare, and bargaining power (Higo and Yamada 2009a).

During the late 1940s, whereas many employers were paralyzed by post-war economic disorder and political turmoil, many employee unions won extremely favorable contracts (Cole 1971, 1979; Koike 1988). Those contracts stipulated generous wage increases, a variety of welfare benefits, and de facto employment security – 'lifetime' job security until receipt of retirement allowance. As a dramatic symbol of union victory, major unions also won 'pure seniority wages' in which wages were determined based on employees' age, tenure, and family conditions, rejecting any of the merit-based components once demanded by employers (Gordon 1985; Koshiro 1983)

However, employers challenged unions' initial victories as soon as the SCAP began implementing the Nine Principles of Economic Stabilization in 1949. The SCAP's initiatives were a series of drastic deflationary policies and regulations, which aimed to bring the Japanese economy under more free market mechanisms (Sumiya 1990). The resulting recessions of 1949-1950 thus posed serious challenges to maintaining de facto 'lifetime' employment security, and many employers in Japan were forced to choose between drastic rationalization of their workforce and bankruptcy. Unions fiercely

opposed rationalization plans and demanded that employers completely withdraw their proposed mass dismissals (Gordon 1985; Koike 1988).

Koike (1988) and Koshiro (1983, 2000) commonly argue that between 1949 and 1954, a sense of deepening mistrust between employers and workers steadily grew. The most violent labor disputes in Japanese history took place between these years, involving such major employers as Toshiba, Hitachi, Toyota, and Nissan. In almost all major labor disputes and strikes, employers eventually prevailed.

Based on these experiences, both workers and employers learned hard lessons. Workers learned that their unrestrained demands might be unsustainable in the face of economic and political realities. From employers' perspectives, measures for workforce rationalization could provoke very costly labor disputes from which employers must recover (Yamamoto 1991). By the end of 1950s, it became common for many employers across the country to circumvent mass dismissals by using a variety of means (Seike and Yamada 2006). Major means that employers began adopting included reduction of hours worked, relocation of regular employees within the same organization, separation of non-regular employees, and the suspension of hiring new workers (Ono 2007).

#### 2.6.3. 1960s-1970s: The 'High-Growth' period – Solidifying 'lifetime employment'

From the early 1960s through the end of the 1970s, the Japanese economy experienced a 'high-growth period.' As will be discussed later, between the years of 1973 and 1980, most industrialized countries including Japan experienced the 'oil shock.' From an economic historian's point of view, however, the 1960s and 1970s, including the



‘oil shock’ period, were a crucial stage in which Japan further developed its economy and ranked itself as one of the largest economies in the world (Gordon 1985).

The GDP growth rate between the years of 1960 and 1973 in Japan exceeded 10.0 percent on average. Between these years, average personal incomes more than doubled (OECD 2004). Many large and medium-sized employers experienced double-digit growth of their corporate profits (Beck and Beck 1994; Ikeda 1988). This unprecedented high-growth of the national economy of Japan propelled the country into the ranks of industrialized and economically developed countries (Ono 2007).

In the Japanese labor market, rapid business expansion resulted in depletion of the labor supply in urban areas of the country. Many employers began aggressively seeking workers from rural areas (Moriguchi and Ono 2004). In order to accommodate the massive influx of the new workforce from rural areas across the country, some employers even constructed dormitories and various housing facilities as well as providing generous housing benefits for their workers (Shimada 1994).

Ono (2007) argues that by the mid-1960s, many workers of large-scale employers largely took for granted seniority-based wages/salary and promotion and long-term employment security, which had become company norms. Such workers commonly assumed that their jobs would be secure until retirement and their wages/salaries would automatically increase with length of service. During the ‘high-growth’ period, these expectations were mostly fulfilled for employees working for large and medium-sized employers (Ono 2007).

During this period, employers’ concerns with respect to workforce adjustment revolved mainly around the following two issues: secure recruitment and retention of the

workforce in order to sustain their rapidly growing business. Provisions of long-term employment security and periodic pay raises (seniority-based wage/salary systems) flourished first among large and medium-scale employers in the 1960s, and then even among smaller employers in the 1970s.

It was under the favorable economic conditions of the ‘high-growth period’ that the institution of lifetime employment in Japan as we know it today came to fruition (Gordon 1998; OECD 2004; Shimada 1994). In this period, all of the following five employer practices commonly found in the lifetime employment institution in Japan today were institutionalized: (1) periodic hiring of new school graduates; (2) long-term, in-company human capital investment; (3) use of seniority-based wage/salary and promotion systems; (4) implementation of age-based mandatory retirement rules; and (5) systematic production and management of post-mandatory retirement workers.

The high economic growth of the 1960s and 1970s made it easier for employers to predict the country’s economic conditions. Stable economic growth of the country and of their business prospects motivated employers to view workers as “an important asset, or an investment with sufficient returns” (Gordon 1998: 43). To recruit potentially valuable assets, many employers institutionalized periodic hiring of new school graduates and long-term, in-company human capital investment (Koshiro 2000). To retain such important assets and assure the assets’ return to the investment, use of age-based wage/salary and promotion systems and retirement allowance became widely institutionalized (Koshiro 2000). As expectations of employment security became a reality, ‘lifetime’ employment became the norm governing the employment relationship in subsequent periods (Hashimoto 1993). However, to the government’s concern, as

mandatory retirement became widely institutionalized, the number of unemployed older adults gradually increased in the country's labor market (Seike and Yamada 2004).

In the late 1960s, the government became concerned with the gradual increase in individuals in the country's workforce who had retired from their organization with a retirement allowance and yet still had an economic need to participate in the labor force. By the early 1960s, many large and medium-sized employers had implemented corporate policies on mandatory retirement. Most of such employers set age 55 as the mandatory retirement age. The gradual prevalence of mandatory retirement corporate policies across the country's workplaces began *systematically producing a large number of post-mandatory retirement workers* (Williamson and Higo 2007). The government responded in 1971 by enacting the *Law Concerning Stabilization of Employment of Older Persons*.<sup>23</sup> This law placed employers under an obligation to prepare for increasing the minimum age for mandatory retirement from 55 to 60. Under this legislation, the government first began to engage in the establishment of chapters of the *Silver Human Resources Center*, a nation-wide active labor market program designed to help older persons find employment opportunities (MHLW 2008).

Dore (2004) observes that the institutionalization of lifetime employment as such entailed some social costs. These very costs, in turn, helped to enforce and reproduce the employment practices of the institution. By the end of 1970s, long-term commitment to the same employers had become customary for many workers in the country's workforce. Social sanctions for deviating from the norm – long-term commitment to the same employers – were met with certain penalties. Social stigma such as a 'lack of sincerity'

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<sup>23</sup> Law No. 68 of May 25, 1971 (MHLW 2009)

was attached to mid-career job seekers – those who changed employers. Negatively viewed by employers, such job changers’ chances of re-employment under decent working conditions (e.g., wages) were hampered (Dore 2004). Unless a worker was in exceptional circumstances, Crawcour (1978: 240) observes, when one changed employers, “it signified one’s career death with consequences far more severe than they would be in many other industrial societies.” Social pressures to conform to the norm thus functioned as a powerful enforcement mechanism for the lifetime employment institution in Japan.<sup>24</sup>

#### 2.6.4. 1973-1980: The Oil Crisis – Major challenges to ‘lifetime employment’

Both the first (1973) and second (1979) waves of ‘oil shocks’ were major events that occurred during the ‘high-growth’ period in the history of the Japanese economy. Together, the ‘Oil Crisis’ posited the first serious challenges to the lifetime employment institution in Japan since its thorough formulation during the 1960s (Ikeda 1987; Koshiro 1983).

Compared to the average annual GDP of more than 10 percent during the high-growth years of 1960 to 1973, Japan’s real GDP growth averaged only about 4.7 percent between 1975 and 1980, and 3.7 percent between 1980 and 1985 (OECD 2004). Employers initially responded to the challenges of this recession with methods similar to what they had used toward the end of the Post-War Occupational Reforms period.

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<sup>24</sup> Empirical studies of the Japanese labor market have found a negative correlation between the number of job changes and earnings. For example, see Kato and Rockel (1992) and Ono (2004).

Employers reserved mass dismissals as the very last resort. Large and medium-sized employers in particular made concerted efforts to reduce overtime, transfer workers to where more of the labor force was needed within the aforementioned *keiretsu* networks, reduce new recruits, sell corporate assets, and cut executive bonuses and salaries. Of these workforce adjustment methods, employers began prioritizing the use of their *keiretsu* networks to prevent, or circumvent, mass dismissals (Koike 1988). Thus, in the Japan HRM history, the ‘Oil Crisis’ has been marked as a phase in which employers’ use of their *keiretsu* networks was institutionalized throughout the labor market (Lincoln and Gerlach 2004).

Employers under the lifetime employment institution started transferring redundant workers to their *keiretsu* networks not only because they needed to avoid layoffs but also because they received pressure from the government to practice this workforce adjustment method. In 1977, the national government launched an administrative campaign, the *National Project for Promoting Employment Stability*. In particular, two of the national government agencies, the Ministry of Labor and the Ministry of Trade, were determined to preserve employment security because they believed it was the key to industrial and social harmony (Cole 1979). The objective of the *Project* was to require that employers make efforts to stabilize employment by transferring workers from declining industries to new more profitable lines of business (Ono 2007).<sup>25</sup> This national priority on promoting and protecting employment stability of

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<sup>25</sup> Literature on labor economics and labor history often argues that the Japanese economy suffered from the impact of the ‘Oil Crisis’ much less than did many other industrialized countries. As Shimada (1992) argues, nonetheless, more often than not such a view overlooks the considerable measures undertaken by the government and employers.

regular employees established during the 1970s made a definitive contribution to forming the backbone of the lifetime employment institution in Japan (Gordon 1998; Shimada 1992).

#### 2.6.5. 1980s-1990s: The rise and fall of the Japanese asset bubble economy

The Japanese economy stepped into the so-called ‘bubble economy’ in the mid 1980s. The unprecedented rapid economic growth over the previous two decades provided a number of private business organizations in the country with strong incentives to aggressively invest in assets such as land and stock. The resulting asset inflation encouraged the organizations’ further investments. This upward spiral led the country to experience an asset bubble economy between 1985 and 1991 (Noguchi 1994). The wealth effect of the corporate asset investments stimulated consumer demand nationwide, and the resulting consumer-driven economy forced the country’s employers to expand their productive capacities at unprecedented levels (Jones and Kato 1995; Rebick 2001).

Especially among large-scale employers, labor shortages became a more serious challenge than ever before. In search of a higher quality workforce, large-scale employers were particularly interested in recruiting college graduates (Ono 2007). In 1991, the last year of the asset bubble economy, large-scale employers – those with 1,000 employees and more – in the country hired about 150,000 new college graduates, or about 67 percent of the total number of college graduates across the country in the same year (Ariga, Brunello and Ohkusa 2000).

In December 1991, the country's *Economic Planning Agency* announced that the national economy had entered a recession (NHLW 2004). Employers again looked to their internal labor market to deal with the recession; rather than dismissing a number of workers, employers started reducing overtime work, reducing new hiring, and transferring workers to subsidiaries. By this time, such reliance on the internal labor market had become the conventional method of workforce adjustment under the lifetime employment institution (Chuma 1994). As a result, a large number of employers in Japan had a mass of surplus labor. Throughout the 1990s, generally, large-scale employers found themselves continuing to face the aftermath of the asset bubble economy.

Despite increasing pressures to downsize the workforce, employers continued to uphold the lifetime employment practice. Job retention rates and employment durations of the country's workforce during the 1990s remained substantially unchanged from those of the 1980s (Genda and Rebeck 2000). Employers' institutional inertia in the practice of 'lifetime employment' contributed to maintaining employment security of the core workforce of employers under the lifetime employment institution – *regular employees* (Ono 2007).

Government interventions into the country's labor market around this time also contributed to fostering another aspect of the lifetime employment institution – creation of the post-mandatory retirement workforce. The government accomplished this through at least the following two methods: (1) making simultaneous changes to the public pension policies and employers' corporate policies of mandatory retirement; and (2) developing an active labor market program specifically for older job seekers including those who have been mandatorily retired from their 'lifetime' employers.

First, the 1994 partial amendment of the aforementioned 1971 *Law Concerning the Stability of Employment Opportunities for Older Persons* fully mandated that employers set the minimum mandatory retirement age at 60 or older. Through the amendment, the government also issued administrative guidance for employers to endeavor to reform existing workplace policies and practices so as to prepare to further increase the minimum age to 65 (MHLW 2006).

Behind the passage of the 1994 revision of the *Law*, in 1992 the government had announced its future administrative plan to gradually increase the minimum eligible age for receipt of the benefits from the country's first-tier National Pension Plan (NPP). As discussed earlier, the NPP is financed with a flat-rate contribution from all citizens. This administrative plan was developed in response to the anticipated increase of the fiscal burden of age-related social expenditures due to the steady increase in the old-age dependency ratios (Williamson and Higo 2007). In 1994 the government officially announced that the minimum eligible age for the NPP benefits would change from age 60 to age 65 from the year 2001 onward. During the 1990s (and even to date), the second-tier of the public pension benefit, the earnings-related benefit (the EPI), becomes available to workers when they reach mandatory retirement age (usually age 60). The 1994 revision of the *Law* thus created a five-year gap between when workers become eligible for the full benefits of the EPI and when they become eligible for those of the NPP. This gap contributed to creating the post-mandatory retirement workforce in the country's labor market by providing economic incentives for those who were forced to retire due to mandatory retirement corporate policies to remain economically active at least until age 65 (Williamson and Higo 2007).



In addition to government intervention in the labor market through changes to public pension policies and to employers' corporate policies of mandatory retirement, the second way the government contributed to the creation of the post-mandatory retirement workforce in the country was through implementing the *Silver Human Resource Center* (SHRC) program (Higo and Yamada 2009b). The SHRC program in Japan is a nationwide public program designed to provide local residents aged 60 and older with opportunities particularly for such *non-regular employment* as temporary, contract, part-time, or other forms of paid work. The SHRC program was first envisioned under the 1986 amendment of the *Law Concerning the Stability of Employment Opportunities for Older Persons*. Since 1996, the SHCR program has been fully subsidized by the national government in collaboration with municipal governments. Registered members of the program receive free skills training, education, counseling services for job matching, and job interview preparation, with the cooperation of a variety of business owners' associations and public employment security institutions.

Similar active labor market programs designed specifically for older job seekers can be found in the United Kingdom (New Deal Job 50 Plus) and in the United States (e.g., Senior Community Employment Service Programs) (Williamson and Higo 2007). Unlike the case of Japan, in addition to labor market programs, the governments of these two countries abolished mandatory retirement rules in most of the workforce (Macnicol 2006).

In Japan, the government has still refrained from forcing employers to abolish mandatory retirement corporate policies. The official purpose of the implementation of the SHRC program is to assist older adults who are able and willing to remain in or to re-

enter the labor force after age 60. However, implementation of this public program can be seen as the government's continuing affirmation of employers' practice of imposing mandatory retirement on workers at around age 60. Furthermore, by often focusing on assisting older job seekers in finding *non-regular employment* opportunities, the SHRC program contributes partly to the long-institutionalized age barrier to aged workers/job seekers from re-entering (or staying in ) the country's workforce as regular employees, the core workforce of the lifetime employment institution in Japan.

## **2.7. Lifetime Employment in Japan Today: The Institutional Changes**

Over the last decade, the literatures of labor economics, personnel management, and public policies have expressed doubts about the sustainability of the lifetime employment institution in Japan (see, Gilson and Roe 1993; Ogoshi 2006; Matanle 2003; Nakata and Miyazaki 2007). Since the bursting of the asset bubble economy in the early 1990s, the lifetime employment institution, which once symbolized the success of the post-war Japanese economy, has been going through gradual downsizing (Ono 2007). Many employers in Japan, regardless of organizational size or industry sector, are still in the wake of a slow and convoluted recovery from the remaining impact of the bursting of the domestic bubble economy. Furthermore, the current global recession, triggered largely by the financial crisis in the U.S. banking system in 2007, has posited additional challenges to employers in Japan. Under these circumstances, employers under the lifetime employment institution are facing unprecedented pressures to conduct

fundamental restructuring of their long-institutionalized HRM practices (Matanle 2003; Nakata and Miyazaki 2007).

The current domestic and global economic conditions have rendered workforce adjustments substantially more challenging than ever before for employers under the lifetime employment institution in Japan (Nakata and Miyazaki 2007). Aforementioned conventional methods for workforce adjustments are becoming more difficult to implement. To large and medium-sized employers, reassigning or transferring redundant workers to their *keiretsu*-network members may no longer be a viable solution; smaller employers within the *keiretsu*-network, typically the receiving end of worker transfers from larger organizations, are becoming saturated with such workers (Ogoshi 2006; Ono 2007).

To maintain their competitiveness, more employers in Japan have become increasingly dependent on *non-regular employees* such as part-time workers, contract employees, and workers dispatched by temp agencies while reducing the number of regular employees (JILPT 2010; Higo and Yamada 2009b). The rate of aging in Japan is the fastest in the world, compounded by longer life expectancy and lower fertility. The implications for the economy are ominous. The aging population will eventually lead to an inverted pyramid-shaped age composition of the workforce and increase the burden for the active labor force to support the private and public pension system. To summarize, the Japanese labor market faces a labor surplus problem in the short-run, and a labor shortage problem in the long-run. Solutions to these problems are yet to be found (Ono 2007).

This section overviews the evidence of the institutional changes to the lifetime employment institution in Japan in recent years. This section discusses the changes found in the following three areas. First, this section discusses trends in the Japanese labor force composition. I present government-released panel survey data in order to review the changes in Japan's labor force composition over the last two decades. I clarify that since the late 1980s, the lifetime employment institution in Japan has been in decline at least in terms of its size within the country's labor force.

Second, I discuss the recent changes to employers' HRM practices typically found under the lifetime employment institution in Japan. I provide evidence suggesting that, since the mid-1990s, employers in Japan have exhibited mixed trends in terms of their 'lifetime employment' practices. On the one hand, employers have been gradually reducing their reliance on *seniority-based wage/salary and promotion systems* – a long-established pecuniary incentive for 'lifetime employment.' On the other hand, evidence also suggests that over the last decade, employers have been further fortifying one of their most clearly age-based HRM practices under the institution – *mandatory retirement*.

#### 2.7.1. The downsizing of the 'lifetime employment' workforce

In the midst of the longest economic stagnation in Japanese economic history, researchers have expressed an unprecedented level of doubt about the future of the institution of lifetime employment in Japan (Kato 2001, Nakata 2007, Ogoshi 2006). During the fiscal year 2002, *Matsushita*, one of the largest employers in Japan in the micro-electronics manufacturing industry, conducted more than 8,500 job cuts. Often

credited as the first employer in Japan who effectively implemented lifetime employment HRM in the country, many had considered Matsushita a microcosm of the entire institution of lifetime employment in the country (Ono 2007). Matsushita's action triggered an avalanche of corporate downsizing plans among other major employers in Japan; by November 2003, about 90 major large-scale employers in Japan had announced plans to discharge a total of 140,000 workers by fiscal year 2005 (Ono 2005).

Over roughly the last two decades, the lifetime employment institution in Japan has been declining in size (Nakata and Miyazaki 2007). That is, since the late 1980s, the share of *regular employees* as a percentage of the country's total workforce has been steadily decreasing. As discussed earlier, *regular employees* are the core workforce of the lifetime employment institution. **Figure 12** and **Table 7** present national administrative data released by the Ministry of Internal Affairs and Communication (MIAC). The data show the trends in the share of regular employees as a percentage of the country's total workforce between the years of 1988 and 2009. As **Figure 12** illustrates, for both men and women, the shares of regular employees have been gradually decreasing since 1988.

**[Figure 12 goes about here]**

Data presented in **Table 7** indicate that in 1988, *regular employees*, including both men and women, accounted for about 81.7 percent of the country's population who are economically active as employees. A decade later, by 1998, the figure had dropped to about 76.4 percent. The figure has since continued to fall, reaching about 65.9 percent by 2009. The trend of decline of *regular employees* is largely the same for men and women. In 1988, *regular employees* accounted for about 91.9 percent of employed men and 64.9 percent of employed women. By 1998 the figures had dropped to 89.7 percent and 57.1

percent, respectively. By 2009, *regular employees* accounted for about 81.4 percent of male employees and about 46.4 percent of female employees among the country's economically active population (**Table 7**).

**[Table 7 goes about here]**

The trend of decline in the number of *regular employees* reflects the increase of the share of *non-regular employees*. That is, among the total population of those who are economically active as employees, the share of those who have mostly been excluded from the lifetime employment institution has been steadily increasing.

The increase in the share of *non-regular employees* is observed in all age groups as well. Data presented in **Figure 13** and **Table 8** show the trends in the share of *regular employees* between the years of 1988 and 2009 by six age groups. Data presented in **Figure 18** as a line chart illustrate the following two trends: First, since 1988, generally, the share of *regular employees* has been gradually decreasing in each of the six age groups. Second, in 1988 the shares of *non-regular employees* were the largest for age groups 55 to 64 and 65 and older – the oldest of all the age groups displayed. This trend – for the oldest age groups to have larger shares of non-regular employees than do the rest of the age groups – has remained the same to date, as of year 2009. The only exception is found in age group 15 to 24. Arguably, however, this age group includes a large number of those who are school age. In the context of the Japanese labor market, most of the employment opportunities available for school-age individuals are non-regular, such as fixed term part-time jobs. Most of those school-age individuals who take up such non-regular employment opportunities do so voluntarily.

**[Figure 13 goes about here]**

Data presented in **Table 8** suggest that in 1988 about 48.6 percent of the age group 65 and older and 27.3 percent of the age group 55 to 64 were *non-regular employees*. These figures were substantially higher than those for any other, younger age groups (except for the age group 15 to 24). The corresponding figures were 10.7 percent for age group 25 to 34, about 19.3 percent for age group 35 to 44, and about 19.3 percent for age group 45 to 54 (**Table 8**). By 2009, the figures for age groups 65 and older and 55 to 64 had risen to 68.7 percent and 41.6 percent, respectively. That is, over the last two decades these two age groups have experienced a 20.1 percent and 14.3 percent increase in the share of *non-regular employees*, respectively. These increases are greater than those of other age groups (except for age group 15 and 24). In Japan, conventionally, post-mandatory retirement workers as well as married women have already been overrepresented in the non-regular workforce (JILPT 2008). Over the last two decades, with the country's workforce experiencing a sharp overall rise in the share of workers who are *non-regular employees* (those who are typically outside the lifetime employment institution), the rise in the share of *non-regular employees* has been proportionally sharper for age groups 55 to 64 and 60 and older than for any younger age groups.

**[Table 8 goes about here]**

#### 2.7.2. Employers' 'lifetime employment' human resource management in transition

Based on the observed increase in *non-regular employees* in the country's workforce, some researchers have even argued that 'lifetime employment,' as institutionalized in the post-war Japanese labor market, may come to an end (see, Kato

2001; Nakata and Miyazaki 2007; Ogoshi 2006). Does the trend of the gradual and yet steady increase in the share of non-regular employees really signal the disappearance of the institution of lifetime employment in Japan? Or, will some ‘lifetime employment’ HRM practices remain resilient among employers in certain industrial sectors and continue to characterize the country’s labor market well into the 21<sup>st</sup> century?

Employers’ long-established HRM practices under the lifetime employment institution are clearly in transition. Yet, to date it is not clear whether employers are going to contribute to dismantling the institution (JILPT 2010). Over the last decade, employers have continued a particular aspect of their ‘lifetime employment’ HRM practices and have shown a trend of discontinuing another aspect of them.

The continuity can be found in the practice of age-based mandatory retirement. As discussed earlier, since the creation of the lifetime employment institution in Japan during the interwar period (1919-1939), mandatory retirement has been a major element constituting the institution. Mandatory retirement corporate policies have not only been retained in most workplaces in Japan to date; over the last decade this major age-based workforce adjustment method has also been implemented even more widely than before.

The percentage of employers in Japan who report that they implement mandatory retirement has been steadily increasing over the last decade. Data presented in **Figure 14** show the trend in percentages of employers who reported between the years of 1999 and 2009 that they practice mandatory retirement rules in the workplace. About a decade ago, in 1999, the majority of employers in Japan (90.2%) reported that they implement mandatory retirement rules in their workplaces. Generally, the figure has been gradually increasing since 1999; in 2003 some 92.2 percent of employers reported that they



implement mandatory retirement policies, and this figure had risen to 94.4 percent by 2006 and to 95.3 percent by 2009 (**Figure 14**).

**[Figure 14 goes about here]**

Simultaneously, employers seem to have reduced the extent to which they utilize another age-based HRM practice that has long been an elemental characteristic of the lifetime employment institution. As discussed earlier, under the lifetime employment institution, employers typically utilize *seniority-based wage/salary systems* as a way to provide workers with strong financial incentives to make a long-term commitment (Dore 2004). Under the institution, workers' chronological ages typically correlate closely with their tenures. Closely linking chronological age and compensation, the wage/salary systems provide higher compensation as workers accumulate years of service for the same employers (Aoki 2001).

Since roughly the mid 1990s, however, employers in Japan have begun reducing the rate of wage/salary increases according to workers' chronological ages. As discussed earlier, workers under the lifetime employment institution commonly experience a steep age-wage curve. However, evidence suggests that since 1994, the steepness of the age-wage curve has clearly relaxed. In other words, employers in Japan have been reducing the extent to which they provide workers with pecuniary incentives for long-term organizational commitment. **Figure 15** presents data on the trend of the age-wage curve among male regular employees with college education between the years of 1994 and 2008. In 1994, if the wages/salary of age group 20 to 24 is 100 percent, that of age group 35 and 39 was about 186 percent. The corresponding figures in the same year were 221 percent for age group 40 to 44, about 253 percent for age group 45 to 49, some 286

percent for age group 50 to 54, and about 276 percent for age group 55 to 59. The age-wage curve was substantially more gradual by 2008. In 2008, if the wages/salary of age group 20 to 24 is 100 percent, that of age group 35 and 39 was about 174 percent. The corresponding figures in the same year were 209 percent for age group 40 to 44, about 228 percent for age group 45 to 49, some 239 percent for age group 50 to 54, and about 235 percent for age group 55 to 59 (**Figure 15**).

**[Figure 15 goes about here]**

The bursting of the Japanese asset bubble economy and the economic stagnation that followed have not entirely weakened employers' practice of 'lifetime employment.' However, as seen in the case of the relaxed linkage between workers' ages and their wages, employers in Japan have certainly been altering some of their institutionalized HRM practices (JILPT 2010).

## CHAPTER THREE:

### REVIEW OF LITERATURE

#### 3.1. Synopsis of CHAPTER THREE

Sociologists of aging and the life course often believe that, across time and cultures, society as a whole works essentially as an *age-based social control mechanism*. Through the structural process of *age-grading*, society organizes and reproduces individuals' *life courses* and facilitates their transitions over the life course by assigning meanings to chronological ages and defining 'age-appropriate' roles, attitudes, and behaviors based on these meanings. From early childhood, individuals are affected by such age-grading social forces as *age norms*. Like other social norms, age norms formally and informally instruct individuals regarding the 'age-appropriate' transitions over the life course, such as appropriate timings for starting and completing schooling, for participating in the labor force, for building families, and for retiring from working lives. While moving from one phase to another over the life course, individuals change their perceptions (e.g., self-concepts) and behaviors (e.g., leaving the labor force). Individuals' unconscious acceptance or habitual compliance with these social structural forces leads to *social construction of the life course* as a taken-for-granted social reality.

Reflecting the centrality of paid work in modern social lives, a *labor market institution* is understood as one of the most powerful sites in which society exercises its age-based social control. Public policy (the government) and employers (capital) play a key role in *structuring* labor market institutions. Labor law, corporate governance, and

employers' institutionalized human resource management practices often utilize *age* to control individuals' perceptions and behaviors over the course of their working lives. As *agencies* of labor market institutions, individuals (labor suppliers) internalize these age-based social structural forces into their self-identities, labor market behaviors, and their interpretations of their working life experiences at large.

The *social construction of older workers* is one of the most distinctive phenomena observed particularly in the labor market of modern, industrialized countries. Rather than being a biologically determined category of worker, 'older worker' is a *socially constructed social status and self-concept*. 'Older worker' has been constructed largely as a result of the institutionalization of 'retirement' as a newly invented phase of the life course in modern times. The institution of 'retirement' has firmly framed modern individuals' life course transition from being economically active, productive, and independent to being economically inactive, unproductive, and thus dependent. In order to facilitate life course transitions such as this, labor market institutions exercise their *age-grading forces* often in the form of *negative ageism*, *age stereotypes*, and *age discrimination* against those who remain economically active and are approaching the socially defined 'appropriate age' for leaving the labor force.

To date, the literature focuses primarily on institutional age discrimination in Anglo-Saxon countries. Both at individual workplaces and in the labor market at large, as they grow older, individuals are increasingly likely to confront age discrimination, which is ultimately an age-grading structural force of *marking their age*, or an *age sanction*, to push them out of the workforce. The age grading force devalues 'older workers' social statuses, roles, and thus self-concepts as workers. In later working life, individuals are likely to

accept, internalize, and adopt the meanings attached to the social status of ‘older workers,’ viewing themselves largely as those who are ‘over-the-hill’ in their working life, and who need to ‘make way’ for younger generations, by preparing to move on to the ‘retirement’ phase of their life course. The age-grading structural forces also influence individuals’ attitudes towards age discrimination. Unlike the case of gender or racial discrimination, some individuals, as they age, tend to view their age discrimination experiences fundamentally as ‘rational’ and thus ‘justifiable.’ Such attitudes toward age discrimination may in turn influence their self-concepts as workers. As they approach conventional retirement age, individual workers are likely to lower their view of self-worth (self-esteem as workers), feel older (subjective age), and believe that they need to retire from their working lives (age role-identity).

However, the literature also notes that some industrialized countries, particularly the U.K., U.S., and Australia, have been experiencing a gradual shift from *standardization* to *individualization* of the life course. While many of the standard life events (e.g., schooling, employment, retirement) during the life course remain the same, the traditional sequence of life events shows greater individual variation and no longer appears to be so standardized or orderly. Under the gradual individualization of labor market behaviors, therefore, individuals’ experiences of aging have also been diverse. While negative age stereotypes against ‘older workers’ still exist, individuals’ experiences of aging and being in old-age vary by their occupations, human capital, and industrial sectors. In these national contexts, therefore, chronological age no longer seems to be the single most powerful factor shaping individual workers’ perceptions and behaviors over the course of working lives.

### **3.2. Aging in Society: Social Age, Age Norms, and Social Control**

#### 3.2.1. Social structures: Social control by age-grading social forces

The focal point of sociologists of aging and social gerontologists is to apprehend how individuals' social lives are organized by age over time. To date researchers aim to accumulate knowledge of the role of age in the social world in organizing, regulating, and controlling individuals' perceptions, behaviors, and their prospects for future life chances – opportunities for and limitations of access to resources for well-being (Estes, Biggs, and Phillipson 2003; Schulz and Binstock 2008; Quadagno and Reid 1999; Schulz and Binstock 2008).

The literature has long acknowledged that human aging is a multifaceted experience. Researchers typically identify at least three dimensions in the human experience of aging: *chronological*, *biological* (including *physical* and *functional*), and *social* (including *psychological* and *social psychological*) (Holstein and Gubrium and 2007). One's *chronological age* refers to the number of years he or she has lived since birth. One's *biological age* is determined by his or her physiological conditions including changes in physical structure, sensory performance, and cognitive functions (Moody 2006). Social aging refers broadly to both individuals' and groups' experiences of being influenced by social structural forces based on their age (Quadagno and Reid 1999; Rix 2004).

*The social dimension of aging* is of particular concern for sociologists of aging and social gerontologists mainly because of its complex relations to and pervasive influences on the other dimensions of aging (Moody 2006). In the social world, individuals are not only accumulating the number of years lived since birth – chronologically aging – and experiencing changes in their physiological conditions – biologically aging. Individuals also experience *aging* as a social structural force that organizes, controls, and even alters their perceptions and behaviors, and their resources for well-being over the course of their lives (Atchley 2000; Holstein and Gubrium 2007).

Another reason for the complexity involved in understanding the social dimension of aging rests in the fact that *aging* occurs on societal as well as individual levels. The literature notes that aging of societies – such as graying of regional, national, and global populations – transforms individuals' experiences of aging over the life course (Schulz and Binstock 2008). This makes individuals' experiences of aging not static but dynamic processes. The aging of society, or population aging, is a form of social structural change; the ongoing social structural changes that most industrialized societies face today affect individuals' quality of life across all age groups and in old age in particular (Hendricks 2006; Schulz and Binstock 2008).

Sociologists of aging and social gerontologists commonly view society as a set of *age-based mechanisms of life organization and social control* (Marshall 2007; Phillipson 2004; Quadagno and Street 2006; Riley, Foner, and Riley Jr. 1999). Riley, Foner, and Riley Jr. (1999) argue that it is primarily through *age-grading* that all societies organize individuals' lives and control their perceptions and behaviors. Age-grading refers to a social process through which society attaches certain meanings to chronological ages,

defines appropriate roles based on these meanings, and expects individuals to accept these socially defined roles according to their ages. Importantly, individuals are also expected to accept identities and to modify their behaviors to be appropriate to their roles (Settersten and Hagestad 1996).

Age-grading plays a key role in constructing and reproducing the structure of the life course (Riley, Foner, and Riley Jr. 1999). With age-grading, society constructs the general order of major life events which individuals are expected to follow and experience as they move from one stage of life to another. In industrialized societies, typically the life course consists of graduation from school, participation in the paid labor market, marriage, child rearing, and retirement (Bass and Caro 1995; Rowe and Kahn 1996). Society facilitates individuals' transitions from one life stage to the next over the course of their lives by requiring that individuals not only transform their identities and roles to make them appropriate for their life stages but also change their perspectives on their life experiences (Elder 1985; Morgan and Kunkel 2006; Neugarten, Moore, and Lowe 1968; Shanahan and Macmillan 2007).

Main goals for sociologists of aging and social gerontologists are two-fold: First, research aims to gain better understanding of how individuals experience age-based social control over time. The second goal is to explore how such age-based social organization and control mechanisms vary by society, culture, and institution (Harper 2006; Quadagno and Street 2006; Sampson and Laub 1996; Shanahan 2000). Furthermore, as Giddens (1984, 1990) argues, social structure both enables and constrains individuals' actions by allocating socioeconomic resources to different categories of individuals. To researchers' concern, as a form of social structure, age-



based mechanisms of life organization and social control divide as well as unify individuals' experiences of aging and quality of life in old age (Walker 2005). Thus, sociologists of aging and social gerontologists also aim to explore who in society systematically benefits from and who is hurt by the ways in which society organizes life chances by age, particularly in the midst of the population aging that most industrialized societies are experiencing today (Phillipson 1998, 2004; Schulz and Binstock 2008).

### 3.2.2. Reproducing age-based social structures: Individuals' internalization of age norms

Mainly through age-grading, society outlines the broad framework of the life course as social structures surrounding individuals' lives over time. The social norms generated by the social structural forces of age-grading closely control individuals' perceptions and behaviors. Researchers refer to such age-based social norms as *age norms*. Individuals' habitual compliance with or unconscious acceptance of the age norms surrounding them in their daily lives contributes to reproducing the life course structures (Neugarten and Neugarten 1986). Similar to other forms of social norms such as gender, social class, and racial norms, age norms are shared among groups or members of a society, considered obligatory, and reinforced often by both positive and negative sanctions for non-compliance or deviation (Atchley 2000, 2009; Settersten and Hagestad 1996; Shanahan and Macmillan 2007).

Social norms have long been a central subject of sociological inquiries. Social norms define and stipulate both appropriate and inappropriate values, beliefs, and attitudes, which powerfully shape individuals' perceptions and behaviors (Becker 1982;

Goffman 1956, 1959, 1961). As Durkheim's ([1915[1986) classical thesis argues, social norms can be best understood as *sui generis* – while not tangible as physical entities, social norms exist as reality in themselves, regulating individuals' perceptions and behaviors over time often as powerfully as physical structures surrounding individuals. Society reinforces social norms often by responding to non-compliance and deviations from the norms with a variety of sanctions such as labeling those individuals as deviant and constraining their access to a variety of resources (Becker 1963, 1982; Blumer 1969; Durkheim [1915]1986; Sumner 1907).

Age norms surround individuals' day-to-day social interactions and provide what Neugarten, Moore, and Lowe (1968: 22) refer to as "*social clocks* or temporal scripts" for age-related social expectations. Age norms stipulate social expectations and rules with respect to age-appropriate behaviors and timing and sequencing of major events in the life course (Lawrence 1996; Settersten and Hagestad 1996). Age norms are integrated in a variety of social institutions in both formal and informal ways (Neugarten and Neugarten 1986). Formal age norms consist of codified law, legislation, policies, and rules, and their effects are backed by established institutions (Blake and Davis 1964; Gibbs 2007). Formal age norms contribute mainly to developing and maintaining the contours of the life course by marking major life events and transitions. Informal age norms refer to unwritten and implicit social and cultural expectations about appropriate role transitions and everyday behaviors. Individuals begin to learn informal age norms during childhood, and as they experience these norms in their everyday social interactions, they contribute to the reproduction of expected life course patterns (Neugarten and Neugarten 1986).

### **3.3. Individuals' Experiences of Aging over the Life Course**

#### 3.3.1. Rites of passage: Social markers of aging and life course transitions

These social forces—age-based structures and norms—are age-based mechanisms that structurally organize individuals' social lives and control their life course transitions both in conscious and unconscious manner. From childhood, individuals are largely socialized into existing age norms that are deeply embedded into a variety of social institutions surrounding their daily lives (Mortimer, Oesterle, and Krüger 2005). As agents of the social world, individuals reproduce the life course as social structure often by unconsciously accepting and internalizing identities, roles, and behaviors that are socially defined as appropriate to their chronological ages or life stages (Atchley 2000; Moody 2006).

Simultaneously, social structures call for individuals' awareness of aging particularly when going through major events in their life course. As they age, human bodies experience certain markers of biological aging such as the graying of hair and decline of muscle strength. In a similar manner, social lives, too, evidence – or mark – individuals' aging and their life course transitions (Nelson 2004; Ota, Harwood, Williams, and Takai 2000). Sociologists of aging and social gerontologists argue that *rites of passage* play a key role as social markers of aging and life course transition (Goffman 1961, 1963; Mortimer, Oesterle, and Krüger 2005; Nelson 2004, 2007; Turner 1969; Van Gennep 1960).

The literature defines rites of passage as special life events that mark a time at which individuals or groups experience transitions from one life stage to another over the course of their lives. Rites of passage are typically experienced in the form of ceremonies or rituals, which aim to facilitate individuals' understanding of their departures from the identities, roles, and social statuses that were 'age-appropriate' in their previous life stages and to help them to adopt those of the next stages (Cushing 1998; Tiersky and Tiersky 1975; Turner; 1969; Van Gennep 1960).

A wedding is one of the most widely observed rites of passage across societies and cultures. As a rite of passage, weddings facilitate individuals' transitions from youth to adulthood (identity), from a dependent to provider (role), and from unmarried to married (social status) (George 1993). Rites of passage such as weddings also aim to earn social recognition of particular individuals' aging and life course transitions. By observing these individuals going through rites of passage, others learn to alter the ways in which they interact with the particular individuals according to the newly achieved identities, roles, and social statuses (Nelson 2004; Ota, Harwood, Williams, and Takai 2000).

Researchers commonly argue that, while aiming to achieve similar purposes, rites of passage show considerable variation and diversity across cultures, societies, institutions, and history in their appearance and frequency of occurrence within individuals' life courses. Such rites of passage as graduation ceremonies, retirement parties, 50<sup>th</sup> wedding anniversaries, and funerals of family members are commonly observed in many industrialized societies today. However, not all of these are commonly experienced in less industrialized societies (George 1993; Nelson 2004).

Other rites of passage may be uniquely experienced only by members of a very particular community. Over the last few years, the U.S. Marine Corps has conducted an event called the Crucible, which is a rigorous 54-hour field test that trainees are required to take at the end of their long-term recruit training period. Cushing (1998) interprets the Crucible as a type of rite of passage aiming to facilitate the trainees' life course transitions from youth to adulthood, from trainees to full-fledged Marines, and from civilians to military personnel. While this ritual field test is well established within the U.S. Marine Corps, this particular rite is hardly observed in the broader U.S. society outside this particular military institution.

### 3.3.2. Being subject to age discrimination

Sociologists of aging and social gerontologists typically observe that, while rites of passage are facilitative social forces, they also function as coercive structural forces for individuals' life course transitions, and deviations from their demands may give rise to individuals' confrontations with age discrimination (Atchley 2000; Nelson 2004). Individuals may experience the social forces of marking of age or rites of passage as a form of sanction against them for being 'off-time'—too early or too late—as compared to the socially expected timing and order of life events and with regard to age-appropriate transitions over the life course. Over roughly the last two decades, more than any other forms of age sanctions in society, issues of *age discrimination* have drawn attention from sociologists of aging and social gerontologists (Macnicol 2006; Nelson 2007; Quadagno and Street 2006). In other words, individuals experience the structural forces of age-based

life organization and social control mechanisms particularly when they feel that they are subject to *age discrimination* in social lives (Macnicol 2006; Nelson 2007).

Age discrimination is a behavioral or institutional manifestation of ageism (Macnicol 2006; Marshall 2007; Nelson 2007). *Ageism* refers mainly to a set of attitudes toward individuals or groups based on their chronological ages. It involves beliefs, images, stereotypes, or prejudicial views about individuals' or groups' value, capacities, and roles in society (Butler 1969; Nelson 2007). *Age discrimination* refers broadly to individual behaviors or institutional practices that either promote or constrain individuals' or groups' access to life chances based on ageist assumptions of their value, capacities, and roles. Age discrimination includes institutional practices, regulations, and policies, which contribute to perpetuating ageism. While conceptually distinct from one another, ageism and age discrimination form a reciprocal relationship through which these two forms of age-related experiences become social structural forces to powerfully shape individuals' experiences of aging over the course of their lives (Butler 1969; Marshall 2007; Quadagno and Reid 1999).

Sociologists of aging and social gerontologists often note that public notions and discourses tend to overlook two important characteristics of ageism and age discrimination. First, public discourse often focuses only on negative ageism and age discrimination. However, as structural forces in a society, both ageism and age discrimination may have both positive and negative impact on members of the society (Levine 1989; Macnicol 2006). For instance, the general ageist tendency in the U.S. labor market that employers view older workers as more costly and less trainable than younger ones may contribute to providing younger job seekers with more employment

opportunities than their older counterparts. Over the last decade in the U.K., for example, the employer practice of mandatory retirement has come to be viewed as a form of age discrimination against older workers. Mandatory retirement corporate policies can be experienced as negative age discrimination against older workers, particularly when they are able and willing to continue working beyond retirement age set by the corporate policies. Simultaneously, the same corporate policies may be experienced as positive age discrimination by younger workers, for these policies may contribute to prioritizing them for allocation of employment opportunities (Butler 1969; Nelson 2007; Palmore 2005).

Second, public discourses often assume that older adults, including older job seekers and older workers, are the chief victims of age discrimination. In other words, individuals are most likely to be subject to age discrimination in old age (Nelson 2007; Palmore 2005). Researchers, however, argue that experiences of being subject to age discrimination are not limited to any particular age group or population. For example, in the United States, many employers of skilled laborers require several years of experience in order for workers to be eligible for hiring. This can make it difficult for younger workers to break into a field and gain the requisite experience, and it favors older workers who have been able to acquire experience already.

As a social structural force for facilitating individuals' life course transitions and sanctioning them for being 'off-time,' ageism and age discrimination are present throughout the life course. Younger people, such as children and adolescents, can also be subject to negative age discrimination (Macnicol 2006; Walker 2006). Despite personal maturity and abilities, individuals under certain ages are prohibited from participating in

particular social activities such as voting and obtaining drivers licenses (Estes, Biggs, and Phillipson 2003; Nelson 2007; Palmore 2005).

Despite these gaps in public and scholarly views of ageism and age discrimination in society, over roughly the last two decades, the attention of sociologists of aging and social gerontologists has concentrated mainly on institutional, prejudicial attitudes towards older people, old age, and the aging process (Butler 1969; Marshall 2007; Nelson 2004). Partly reflecting the growing concerns about population aging and the necessity to promote longer working lives of older people, researchers have begun exploring older adults' experiences of being subject to negative age discrimination, such as their contending with age barriers to continued employment beyond conventional retirement ages (Marshall 2007; Quadagno and Reid 1999; Walker 2005).

### 3.3.3. Impact of age-based social control: Attitudes towards age discrimination experiences

The social structural forces of society's age-based organization and control mechanisms powerfully shape individuals' perceptions about their life experiences over time (Atchley 2009; Moody 2006; Settersten and Hagestad 1996). The impact of the social structural forces on individuals' perceptions includes attitudes towards their own experiences of being subject to age discrimination over the life course (Levine 1989; Marshall 2007).

In order to gain a substantial understanding of how society organizes and controls individuals' lives over time, it is not enough to survey whether or not they have



experienced age discrimination. Exploring individuals' attitudes towards the age discrimination that they have observed and experienced in society is necessary for uncovering and illuminating the ways in which society organizes and controls individuals' lives by age (Atchley 2009; Moody 2006; Settersten and Hagestad 1996). Despite this importance, as Macnicol (2006) and Marshall (2007) argue, to date, individuals' attitudes toward being subject to age discrimination have been conspicuously understudied in the literature.

The impact of society's age-based organization and control mechanisms on individuals' attitudes towards age discrimination is manifested particularly in a public perception that age discrimination is qualitatively distinct from other forms of discrimination in society (Lawrence 1998; Levine 1989; Macnicol 2006; Marshall 2007). From this point of view, age is viewed as "a relative characteristic, whereas race and gender are immutable characteristics" of individuals (Macnicol 2006: 25). Gender, race, and ethnicity are demographic characteristics or categories into which individuals are born. In contrast, every single individual experiences aging chronologically, biologically, and even socially. If age discrimination is likely to occur in later life, then everyone is likely to be subject to it as they grow older. Thus, as Butler (1969: 246) famously puts it, a general societal perception assumes that "we don't all grow white or black, but we all grow old." Such a public perception of the nature of age and aging in society tends to result in a perception that age discrimination is not as problematic as other forms of discrimination (Atchley 2000; Levine 1989; Settersten and Hagestad 1996). Unlike discrimination based on gender, race, or ethnicity, many sectors of society still view age

discrimination as “rational, and thus justifiable” (Levine 1989: 23) on the grounds that everyone inevitably and equally ages.

From a perspective of sociology of aging and social gerontology, gender, race, ethnicity, and age are all social constructs; to a large extent, individuals in society learn these ‘individual characteristics’ through childhood socialization and re-socialization in adulthood, thereby reproducing broad social institutions surrounding individuals’ daily lives. On an institutional level, these characteristics play key roles in distributing life chances in society and contribute to the systematic reproduction of inequalities in society over time (Estes, Biggs, and Phillipson 2003; Quadagno and Reid 1999; Settersten and Hagestad 1996).

In search of knowledge of how society controls individuals’ lives over time, sociologists of aging and social gerontology also commonly argue that individuals’ attitudes toward age discrimination differ considerably by society, culture, and institution. In the area of work and employment, for example, national labor market institutions powerfully shape individual workers’ attitudes toward their age discrimination experiences (Levine 1989; Macnicol 2008; Marshall 2007). Under a particular employment institutional framework, even when individual workers find a particular age discrimination experience unfavorable to themselves, they might still perceive the particular experience as rational and justifiable considering other factors (e.g., societal or organizational needs for supporting younger or older members) (Macnicol 2006).

In the U.S., for instance, much of the debate leading up to the Age Discrimination in Employment Act of 1967 was based on a widespread consensus that viewed age discrimination in employment as essentially irrational. Age discrimination in employment,

including mandatory retirement corporate policies, was viewed not only as irrational but also unjustifiable because these practices were based on prejudiced stereotypes of older people and were against growing notions of social equity and overall economic prosperity of the country (Hardy 2006; Walker 2005, 2007). By contrast, in other industrialized countries such as France, Germany, and the U.K. (until the end of the last century), mandatory retirement corporate policies still tend to be viewed as functional and thus rational by large segments of societies (Macnicol 2006; Marshall 2007).

In these countries' labor markets, many perceive that such age-based HRM practices as mandatory retirement contribute to rational gains for both employers and employees. To employers, mandatory retirement is considered useful for managing labor turnover, facilitating employee rotations and boosting workforce morale (Levine 1989). To employees, mandatory retirement helps them to structure their labor market behaviors in later life. If employers instead determined individual workers' retirement on a case-by-case evaluation, it would create a feeling of inequality among workers. In this context, mandatory retirement is seen as an equalizer of individual workers' labor market behaviors and prospects in later life (Estes, Biggs and Phillipson 2003; Levine 1989; Macnicol 2006).

#### 3.3.4. Changes in self-concepts: Self-esteem, subjective age, and age-role identity

Broad social structures organize individuals' outwardly manifested life course transitions through rites of passage, and they control and constrain their life chances through age discrimination. These social structural forces also impact individuals' inward

*self-concept* as society facilitates individuals' transitions from one life stage to another by age-grading. Individuals' experiences of aging thus necessarily entail not only outward life course transitions, but also transitions of their self-concept, which has been another main area of research for sociologists of aging and social gerontologists over the last two decades (Standstrom, Martin, and Gary 2006).

Self-concepts refer to the ways in which individuals imagine themselves. As Bowling (2005) argues, one's self-concept is shaped and reinforced by interactions with others and by broad social and institutional environments. The self-concept is based on a number of attributes. Sociologists of aging and social gerontologists often focus on three components of self-concept, which are directly relevant to their understanding of the ways in which society organizes and controls individuals' lives by age. The three components include: (1) *self-esteem*, (2) *subjective age*, and (3) *age-role identity* (Bowling 2005; Hendricks 2006; Standstrom, Martin, and Gary 2006).

(1) Self-esteem:

In sociology, *self-esteem* is defined as individuals' overall evaluations or appraisals of, or attitudes towards, their own worth in relation to others or within the broad social environments in which they live (Blumer 1969; Cooley [1902]1922; Goffman 1959, 1961, 1963). As is self-concept at large, one's self-esteem is largely a reflection of social structural forces surrounding his or her daily life over time. As Cooley's ([1902]1922) classic theory of the *looking-glass self* portrays, individuals develop and alter their own images and sense of self-worth based largely on their perceptions and internalization of how society views them. In relation to age, researchers

of self-esteem have not yet reached unequivocal consensus on the general patterns of self-esteem development over time (Franks and Marolla 1976; Stryker 1980).

Even within contemporary U.S. society, research on the impact of individuals' aging on their self-esteem has constantly produced inconsistent findings. Due in large part to the complex interactions with gender, social class, and specific institutional settings, some studies find a decline in self-esteem with age, whereas others find improvement of self-esteem with age (Atchley 2000; Gove, Ortega and Style 1989; Ranzijn, Keeves, Luszcz and Feather, 1998).

One of the main concerns of the sociology of aging and social gerontology in relation to self-esteem is *social stigma* associated with old age and its impact on older adults' or older workers' self-esteem (Atchley 2000; Phillipson 2004; Quadagno and Reid 1999). Based often on negative stereotypes and pejorative connotations, *social stigma* gives older adults severe social disapproval and forces them to lower their self-esteem (Goffman 1956, 1963). Researchers in the U.S. and the U.K. have long documented that employers are likely to be reluctant to hire older workers because of their common perception of older workers as being less productive and less willing to learn than younger workers. Such social stigma can deny employment opportunities to older people. In seeking employment opportunities beyond conventional retirement ages, these social stigmas force older job seekers to lower their self-esteem and consequently discourage them from seeking employment. In 2008, for instance, workers who were 45 and older had lower unemployment rates than younger workers. However, those workers stayed unemployed for longer periods than younger workers, arguably due in part to

social stigma that constrained both their employability and their motivation to seek employment (Hardy 2006).

(2) Subjective age:

*Subjective age* refers to how old individuals feel, as distinct from how old they are in terms of chronological age (Blau 1969; Kaufman and Elder 2003). Subjective age also refers to broad age groups or life stage groups – such as younger, middle-age, or older– with which they tend to identify themselves (Settersten and Mayer 1997). The differences between individuals’ chronological ages and their subjective ages have drawn scholarly attention since as early as the mid 1950s.

The literature on this subject has traditionally focused on the transition of individuals’ subjective age from childhood to young adulthood (from the teenage years to around one’s late twenties) (Mortimer, and Erickson 2005). Transitions of subjective age from adulthood to elder-hood, and those of the entire life course, are a relatively recent focus in the literature (Atchley 2009; Moody 2006). To date, generally research has found that, while individuals’ subjective ages increase with their chronological ages up until their mid 30s, from this stage onward, there is an increase in the divergence between their subjective ages and chronological ages. Kaufman and Elder (2003) and Montepare and Lachman (1989) commonly argue that particular work and employment institutions, such as retirement, are likely to influence individual workers’ subjective ages. A study in the U.S. suggests that individual employees are likely to feel ‘old’ – and old enough to leave their workplaces – at about their early 60s. This is the age around which a sizeable portion of the workforce retires and become eligible to start withdrawing public pension benefits (Kaufman and Elder 2002).

### (3) Age-Role Identity:

Changes to individuals' self-esteem and subjective ages tend to alter their age-role identities (Bowling 2005; Hendricks 2006; Standstrom, Martin, and Gary 2006). Age-role identity is a theoretical construct referring to individuals' perceptions of what rights, duties, and tasks society has defined for them as 'age-appropriate' with regard to their chronological age and life stage (Bowling 2005; Moen, Erickson, and Dempster-McClain 2000). Age-role identity is the internalization of the previously discussed age-grading through which society attaches meanings to chronological ages, assigns roles to those chronological ages, and expects that individuals will conform to those roles.

Age-role identity is a variation of social role identity. Social roles are constantly negotiated between individuals and social structures in a tentative, creative way (Mead 1934). Society facilitates individuals' transitions from one life stage to the next over the course of their lives by requiring that individuals transform not only their identities and roles appropriate to their stages of life but also change their perspectives on their life experiences (Elder 1985; Shanahan and Macmillan 2007). People may perceive age-appropriate roles or appropriate age ranges for certain behaviors and life events. Social scientists studying aging take such perceptions as indicative of age norms, a focal concept in apprehending how age organizes social life. In the workplace, individuals' perceptions of the most appropriate roles for them in relation to others at the workplace tend to change in accordance with their changing self esteem and subjective age identity—how old they feel as workers at the workplace and as individuals in society (Bowling 2005; Standstrom, Martin and Gary 2006).

### **3.4. Social Construction and Reproduction of the Life Course**

#### 3.4.1. Structure and agencies in constructing the life course

In the social world, experiences of aging are, to a large extent, social phenomena. Sociologists of aging and social gerontologists typically approach *the life course* from a social constructionist perspective (Powell 2010; Riley, Foner, and Waring 1988). In the social world, individuals' life courses are socially constructed realities. From this theoretical perspective, what individuals and groups experience as 'realities' are constructed and reproduced over time by the interplay between structure and agency in society (Berger and Luckmann 1966; Burr 2003).

In the domain of work and employment, the main structural components of the life course include such factors as labor laws, corporate policies, and employers' institutionalized human resource management practices (Quadagno and Reid 1999; Walker 2005). These structural bases assign meanings to individuals' ages, life stages, and social statuses. In constructing social realities, the relationship between social structure and individual agency is reflexive: In order to experience and reproduce the structural bases of the life course over time, individuals as the agents of society internalize the surrounding social structures (Meyer 1986). Shaped powerfully by the structural framework in which they live, individuals develop and change the ways in which they make sense of and comprehend their daily social lives and long-term life experiences as members of society (Morgan and Kunkel 2006). From a social constructionist perspective, individual's values, attitudes, behaviors, and decisions



regarding future life transitions inevitably reflect social structural and institutional forces surrounding their daily and long-term life experiences. Experiences of aging in society are, therefore, dynamic social processes within the socially constructed life course (Logan, Ward, and Spitze 1992; Riley, Foner and Waring 1988).

As social structures, laws and regulations designate specific ages at which members of the society are legally permitted to engage in particular activities. In the U.S. society, for instance, laws designate ages 18 and 21 as the age criteria at which individuals are allowed to join the armed forces or begin consuming alcohol products, respectively. These age criteria define socially established points in the life course when individuals are believed to be ‘old-enough’ to responsibly take part in these activities. In many industrialized societies today, age 65 is often defined as ‘too old’ to remain in the labor force. Individuals follow and reproduce the socially expected life course patterns often by conforming to these dominant age norms, even if they personally question or reject them (Powell 2010).

#### 3.4.2. Historical transitions of the life course

One of the main implications of a social constructionist view of the life course is that, as socially constructed, realities are subject to changes, and changes to the life course have consequences on individuals’ life chances over the life course and in old age in particular (Quadagno and Reid 1999; Walker 2005). Sociologists of aging and social gerontologists have observed historical developments and changes in the life course as a way to illuminate how the life course is in effect socially constructed.

In the U.S. society, as Shanahan (2000) argues, in *premodern* times, prior to the nineteenth century, normative sequences of life events were not as solidly constructed as today. Often a variety of age groups were mixed together in many areas of social life. Both in public and private schools, for instance, classrooms were more heterogeneous in terms of age composition than they are today. The life course as we are familiar with it today only began to be constructed in the modern times, around the beginning of the twentieth century. Since then the typical life course of members of the U.S. society has transitioned into today's age-segregated and thus more age-conscious pattern (Fussell and Frustenberg, Jr. 2005; Shanahan 2000).

Giddens (1990, 1991) famously distinguishes two phases in the modern era: *early modern* and *late modern* times. The former refers to roughly the first half of the twentieth century, and the latter refers generally to the time since the mid-twentieth century. In terms of social construction of the life course, Shanahan (2000) characterizes early modern times as the period of *establishment and standardization of the life course*. In many cases, the variation in ages at times of transition over the life course has decreased over time. In other words, due to the organization and institutionalization of the life course within society, the age-timing of particular events, such as graduating from high school, has become standardized (Fussell and Frustenberg, Jr. 2005). It is since the beginning of early modern times that the U.S. society has grown increasingly age-conscious. Both public and private schools in the U.S. became strongly age-segregated around the turn of the nineteenth century as elementary and junior- and senior-high schools became institutionalized (Chudacoff 1989). In the labor market, labor force participation became firmly circumscribed on one end of the life course by child labor

laws and by retirement and pension eligibility age prescriptions on the other (policies passed in the mid-1930s).

The main early modern social markers of adult status consisted of obtaining some form of education, gaining stable employment, establishing an independent residence, marrying, and becoming a parent (Shanahan 2000). This particular order of life transitions was also considered the normative sequence of events, particularly for males (Marini 1978, 1985). Many people seemed to enter and exit specific social roles around the same age throughout their lives (Hogan 1981). This observation that individuals' major life transitions tend to occur in a particular sequence around specific ages prompted the examination of age norms, which constitute a shared understanding of the appropriate or inappropriate age-timing of particular actions and achievements within the life course (Arnett 1998; Neugarten, Moore and Lowe 1968; Mortimer 2000).

If early modern times were characterized by *establishment and standardization of the life course*, late modern times – including the present – may be characterized by *individualization of the life course transitions* (Shanahan 2000). In the U.S., the ages at which people marry for the first time, gain an educational degree, become parents, and begin a career have shifted as compared to previous decades, and the sequence of events no longer appears to be so orderly (Shanahan 2000a). This increased variation in the sequencing of events may be seen, for example, in an emerging trend of men, some of whom now often marry before completing a college degree, and in women, who commonly work before and during parenthood (Mouw 2005; Marini 1978, 1985). This variability constitutes the individualization of the life course. Thus, while much of the

substance of what occurs during the life course remains the same, the sequencing of traditional transitions increasingly varies among late modern individuals.

Due in large part to these demographic changes in combination with changing cultural norms, the point at which a person acquires a self-perceived adult status is difficult to identify because the traditional markers and norms may not offer the same insight into an individual's perceptions of adulthood as they did in the past (Arnett 1998). Currently, the life course transition of feeling like an adult is recognized as a process that differs by many individual and social characteristics (Hogan and Astone 1986). Consequently, understanding peoples' subjective age identities with regard to adult status is analytically complex. Industrialized societies tend to have less formalized mechanisms to denote elder status and often rely upon physical and chronological markers of aging.

Nonetheless, even in the contemporary U.S. society, individuals still persist in believing that there are proper ages and sequences of life course events. Greene (1989) finds that adolescents approach their life course with expectations of certain events, specific timing of events, and the traditional normative perspective on the ordering of events. Settersten Jr. and Hagestad (1996) argue that individuals embrace cultural schedules, particularly for family transitions, yet they personally extend a low degree of social sanctioning on friends or family members who do not transition at the perceived appropriate time.

### **3.5. Social Construction of 'Older Workers' and 'Retirement'**

#### **3.5.1. Social constructionist approach to experiences of aging in the labor market**

Over roughly the last decade, the experiences of aging at the workplace and in the labor market have increasingly become an important subject in sociological and social gerontological literature (Marshall 2007). Sociologists of aging and the life course have begun exploring this subject mainly from *social constructionist* perspectives (Hendricks 2006; Karp 1989; Quadagno and Reid 1999; Settersten 2006). One main goal of their social constructionist analysis of individuals' experiences of aging in the labor market is to uncover the ways in which employment institutions as a form of social structure use age to organize and control individuals' life experiences over the course of their working lives (Phillipson 2004; Quadagno and Reid 1999).

The contemporary sociological theory of social construction relies on the general premise that both broad social structural forces and individuals' conformity to those forces construct and reproduce social realities (Berger and Luckmann 1966). Following the approach of symbolic interactionism, social constructionists conceptualize individuals as meaning-making and reflexive agents, who make sense of their daily and long-term social life experiences and then direct their behaviors based largely on their interpretations of the meanings of their experiences (see, Blumer 1969; Mead 1934). Thus, Berger and Luckmann (1966) argue that individuals' subjectivities, such as their perceptions, beliefs, and attitudes, largely reflect the structure of the social world surrounding their daily lives for an extended period of time. Social constructionists utilize the symbolic interactionist micro-approach (exploring individuals' subjectivities) to uncover the macro-structure of the larger society surrounding their daily lives (institutional structures and forces) (Ritzer 2008). Social constructionists, therefore, often

explore a particular social group's long-term life experiences in order to expose the ways in which social structures surrounding the individuals – lesser-known social institutions in particular – have shaped their perceptions, values, and beliefs, as well as their behaviors (Morgan and Kunkel 2006).

Given their focus on aging in society as a life course experience, sociologists of aging and the life course have begun utilizing the social constructionist approach to examine the impact of national employment institutions on individuals' experiences of aging in the labor market over the course of their working lives (Karp 1989; Quadagno and Reid 1999). As Settersten (2006) argues, sociologists of aging and the life course generally conceptualize society at large as an “age-based social control mechanism” (p.16), which powerfully influences individuals' life experiences. Across time and space, society regulates individuals' perceptions and behaviors from birth to death by placing individuals in a “socially prescribed timetable for the ordering of major life events and age norms, namely, social expectations regarding age-appropriate behaviors” (Settersten 2006: 18). Employment institutions predominant in a society – national employment institutions – are one of the most powerful age-based social control mechanisms (Settersten 2006).

National employment institutions organize individuals' social statuses, self-identities, and labor market behaviors by influencing society's allocation of employment-related opportunities and resources in the labor market based on age. In controlling individuals' transitions within the labor market, national employment institutions also define and denote meanings to each phase in the course of individuals' working lives (Morgan and Kunkel 2006). Individual workers in turn internalize such institutional

influences into the ways in which they construct and change their self-identities, labor market behaviors, and their interpretations of their working life experiences at large. Reflecting structurally prescribed timetables for the course of working lives in the labor market, individual workers typically experience changing self-identities from youth through middle-age to old age (Sargeant 2006).

### 3.5.2. Social construction of ‘older workers’ and ‘retirement’

One of the most salient arguments that sociologists of aging and the life course have developed to date for viewing national employment institutions as powerful age-based social control mechanisms is the *institutionalization of retirement* as the most conspicuous social construction among contemporary, industrialized societies (Costa 1998; Phillipson 1982, 2004; Walker 2005). Beyond a mere macro-economic labor policy aiming to adjust a nation’s workforce, *retirement* has become both a foundation of national employment institutions and a standard phase of life for contemporary workers (Vincent 1995).

The institution of retirement has framed the life course transition of individual workers from being economically active, productive, and independent to being economically inactive, unproductive, and thus dependent (Walker 2005). While certainly not affordable to all, retirement has come to be a widely recognized phase of life – a *social reality* – for many individual workers in industrialized nations today. As they grow older, individual workers conform to and accept the socially prescribed status of *older workers* and adopt the associated meaning of this status – becoming socially and

economically inactive and thus unproductive – as the core of their self-identity (Marshall 2007; Quadagno and Reid 1999).

To date, sociological and social gerontological research has focused mainly on two specific areas of life course experience in which workers experience the impact of national employment institutions as they grow older in the labor market. The first area is confrontation of (perceived) age discrimination, and the second area is change in individuals' self-concepts as workers (Bowling 2005; Hendricks 2006; Phillipson 2004). Throughout the course of their working lives, individuals experience, directly or indirectly, being subject to "the use of crude 'age proxies' in allocating opportunities or resources related to employment" (Macnicol 2006: 8). As they grow older, workers are increasingly likely to be subject to unfavorable treatment based on negative stereotypes attached to their age or to their life stage (Morgan and Kunkel 2006). Quadagno and Reid (1999) argue that individual workers' experiences of age discrimination reflect social structural forces controlling their transitions over the course of their working lives. By "marking age" and providing "age sanction" (Marshall 2007: 11), national employment institutions control the working lives of *older workers*. Age discrimination, as perceived by *older workers*, is ultimately a social structural force to push them out of the workforce by devaluing their roles and social status at the workplace and in the labor market at large (Walker 1999).

Furthermore, Levine (1989) argues that national employment institutions may also powerfully shape individual workers' attitudes toward their age discrimination experiences. Unlike gender or race discrimination, many sectors of society still view *age-based discrimination* as "rational, and thus justifiable" (Levine 1989: 23) on the grounds



that everyone inevitably and equally ages. Under any given employment institutional framework, even when individual workers find a particular age discrimination experience unfavorable to themselves, they might still perceive the particular experience as rational and justifiable considering other factors (e.g., societal or organizational needs for supporting younger or older members) (Macnicol 2006). Such attitudes toward individual experience of age discrimination may in turn influence workers' self-concepts.

Individuals' *self-concepts as workers* are continually subject to change due to the impact of national employment institutions (Hendricks 2006). In examining transitions of individual workers' self-concepts in the labor market, Bowling (2005) conceptualizes an individual's self-concept as a total sum of his or her self-esteem, role-identity, and subjective age identity. Long-term working life experiences, and confrontation of age discrimination in particular, powerfully change the ways in which workers assess their own value and worthiness at the workplace and in the labor market (Bowling 2005). Changes in individual workers' self-esteem subsequently change their perceptions of the most appropriate roles for them in relation to other workers at the workplace (Standstrom, Martin and Gary 2006). Changes in individual workers' self-esteem and role-identities shape how old they feel as workers at the workplace and as individuals in society (Bowling 2005).

Patterns of changes in individuals' self-concept as workers vary significantly over the course of their working lives (Atchley 2000; Karp and Yoels 1981). Nonetheless, as they approach *retirement* – a socially constructed phase of the life course – individual workers tend to gradually accept the social structural forces and view themselves as older

workers, who are “over-the-hill” and thus “need to yield the way to younger generations” (Bowling 2005; Elder and Johnson 2002).

From a social constructionist perspective, therefore, sociologists of aging and the life course argue that *older worker* is not a chronologically or biologically determined category of worker (Holstein, Jaber, and Gubrium 2007). Rather, *older workers* in society – at the workplace and in the labor market – are a *social construct* whereby national employment institutions as social structural forces develop the social status of older workers in the labor market. As they grow older, individual workers in turn come to accept this structurally defined social role as the core of their self-identity (Quadagno and Reid 1999; Morgan and Kunkel 2006; Settersten 2006).

### **3.6. Experiences of Aging in Japan: Perceived Age Discrimination**

#### **3.6.1. Lifetime employment workers’ experiences of aging understudied**

Similar to other industrialized nations, *retirement* has been very thoroughly institutionalized in Japan both by public policies (e.g., public pension schemes) and employment institutions (e.g., mandatory retirement corporate policies). Mandatory retirement has become a very common corporate policy across the nation since roughly the early 1950s, and public pension schemes have been formally established nationwide roughly since the late 1950s (Dore 2004). Thus, one may observe the basis of *social construction of older workers* – institutionalization of retirement as a phase of the life course – in Japanese society at large.

However, existing literature offers very limited knowledge concerning specifically how older workers are socially constructed through workers' daily and long-term experiences under the lifetime employment institution in Japan. To date, research as well as public discourse has neglected the experiences of aging perceived by those who are within the lifetime employment institution – pre-mandatory retirement workers. Genba (2006) and Sakuraba (2007) commonly argue that such research and public discourse would likely confirm their long-held presumption that the lifetime employment institution has long served as a major social and economic resource for workers' secure, stable, and well-programmed working lives at least until retirement.

Only since the upcoming retirement of the nation's baby boomer generation has emerged as a national concern over the last few years, has workers' contention with mandatory retirement corporate policies as a potential form of age-based discrimination against older workers gradually become a subject of debate (Genba 2006; Sakuraba 2007).<sup>26</sup> Reflecting this growing public concern, research has begun exploring the experiences of *age discrimination* among those who have already exited the lifetime employment institution due to mandatory retirement corporate policies but who continue to work for pay, namely, *post-mandatory retirement workers*.<sup>27</sup>

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<sup>26</sup> The notion of age discrimination against older workers per se is a relatively new phenomenon in Japan. This is the case due partly to the nation's labor history, in which the government has never targeted aged workers as a segment of the workforce to control; in Japan, employment rates have been high both for younger and older workers, and thus the government has never implemented an early retirement scheme in favor of youth employment such as the Job Release Scheme (1976-1984) in the U.K. (Ono 2007; Seike and Yamada 2006).

<sup>27</sup> Research and public discourse have also focused on age discrimination in employment experienced by those *lifetime employment* workers mainly in their 40s and 50s who were laid-off before mandatory retirement and try to re-enter the lifetime employment

### 3.6.2. Experiences of post-mandatory retirement workers

Research so far has focused on two domains in which post-mandatory retirement workers have experienced age discrimination: Within the same workplace (within their employers' networks) and in the labor market at large. In the first domain, the current legislation concerning older workers' employment protection in Japan<sup>28</sup> has provided employers with a large degree of discretion in how they may change the employment conditions of their post-mandatory retirement workers in exchange for continuing to employ them in some capacity at least until they reach age 65.<sup>29</sup>

The second domain in which research has revealed that post-mandatory retirement workers experience age discrimination is the labor market at large in which workers seek employment after leaving their "lifetime" employers. Research suggests that post-mandatory retirement workers tend to experience lower job security, lower wages, and fewer opportunities for industry-specific training compared to their pre-mandatory

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institution (being employed at another firm on full-time and presumably indefinite contract basis) (see Sakuraba 2007). These workers were forced to be outside the lifetime employment institution due mainly to forces external to the institution such as the major national economic recession during the 1990s. Thus, these workers are not part of my dissertation's focus.

<sup>28</sup> The latest revision of the *Law concerning the Stabilization of Older Workers' Employment* has been since April 2006.

<sup>29</sup> Research suggests that wage reductions and changes to job content are two major disincentives for post-mandatory retirement workers to remain in the same organization (JILPT 2009; Yamada 2008). For instance, Yamada (2008) reports that about 75 percent of employees in the finance and banking industry ( $n=1,453$ ) reported that they left their employers after mandatory retirement due to drastic wage reduction and changes to job content that they felt uncomfortable with.

retirement years (JILPT 2009). Based on a series of administrative surveys, MHLW (2009) estimates that, on average between the years of 2002 and 2007, post-mandatory retirement workers experienced a 40 to 45 percent decrease in their annual earnings. OECD (2004) argues that post-mandatory retirement workers, those who have left their employers' networks in particular, seem to be trapped in job insecurity and financial insecurity, and to lack opportunities to develop job skills because they do not benefit fully from the firm-based training and education characteristic of the lifetime employment institution.

My dissertation examines workers' experiences of aging within and after exiting the lifetime employment institution in Japan from a social constructionist perspective. The main goal of my dissertation is to illuminate the ways in which the influence of the institution and workers' life course experiences under the institution together socially construct the notion of older workers in the labor market and in society at large. With this approach and goal, my dissertation's contributions will be made mainly in three areas. My dissertation's focus on *lifetime employment* workers' experiences, including those of both pre- and post-mandatory retirement workers, helps close the gap in the literature by shedding light on the little explored area of knowledge about the ways in which workers experience aging within the lifetime employment institution.

Research has already begun examining the experiences of age discrimination as perceived by post-mandatory retirement workers. However, such emerging research has not yet examined their attitudes toward the age discrimination experiences or the impact of age discrimination on their self-concept as workers. By exploring these uncovered areas of knowledge about lifetime employment workers' life course experiences, with a

social constructionist approach, my dissertation will contribute to increasing knowledge about how the lifetime employment institution as an age-based control mechanism shapes, controls, and reshapes the experiences of aging.

### **3.7. Exploratory Hypothesis for the Dissertation Research**

Linking the three sets of research questions and the review of the literature, I have generated two sets of research hypotheses. The first set relates to the experiences of aging as perceived by pre-mandatory retirement workers, and the second relates to those experiences as perceived by post-mandatory retirement workers. My social constructionist analysis of the two categories of *lifetime employment* workers were conducted based on these two sets of hypotheses:

#### **3.7.1. Pre-mandatory retirement experiences of aging directly under the lifetime employment institution**

Prior studies have rarely examined individuals' experiences of aging within the lifetime employment institution in Japan. Both research and public discourse generally assume that the lifetime employment institution serves as a protection mechanism for workers' employment security and, thus, that workers within the institution are much less likely than those outside the institution to experience age discrimination. Due mainly to the prevalent human resource management practices in Japan, including a seniority-based

wage and promotion system, pre-mandatory retirement workers seem to experience high job security and, generally, a steady progression of wages and promotion.

However, sociologists of aging and the life course argue that national employment institutions are a very powerful age-based control mechanism to organize and shape individuals' experiences of aging over the course of their working lives. From a social constructionist perspective, it is argued that individual workers conform to the institutional forces and internalize them into the ways in which they make sense of their long-term experiences and their own social status and identities as workers. I hypothesize that pre-mandatory retirement experiences of aging will follow the *social construction of older workers* thesis as such.

In terms of experiences of age discrimination, I expect that even within the lifetime employment institution, workers experience age discrimination – being subject to the use of crude age proxy - in a variety of areas and over the course of their working lives.

I hypothesize that the lifetime employment institution has influenced workers' attitudes towards age discrimination experiences over time. They are likely to perceive their age discrimination experiences, including the presence of mandatory retirement policies at their workplace, as justifiable and to take them for granted as a natural part of the course of their working lives.

I also expect that their self-concepts as workers gradually change over the course of their working lives. As they approach mandatory retirement, workers gradually lower their self-esteem as workers, change their role priorities (identities) based on their lowered self-esteem, and identify themselves as older workers, who are ready to move on

to the next phase of life – life after mandatory retirement. From a social constructionist perspective, therefore, I expect that the experiences of aging directly under the lifetime employment institution would reflect the lifetime employment institution as an age-based control mechanism to organize workers' perceptions and behaviors over the course of their working lives. Including their acceptance of mandatory retirement corporate policies, workers' transitions over the course of their working lives and their self-concepts as workers are closely controlled by the lifetime employment institution. In Japan's workplace, the lifetime employment institution has played a key role in the social construction of older workers in the labor market throughout the postwar history.

### 3.7.2. Post-mandatory retirement experiences of aging after exiting the lifetime employment institution

I apply the *social construction of older workers* thesis to develop my hypotheses for post-mandatory retirement workers' experiences of aging in the labor market. The *social construction of older workers* thesis assumes that the impact of national employment institutions will remain for an extended period of time. This is because, as social constructionists generally argue, it is not only external structural forces in society but also individuals' conformity to those forces that socially construct and reproduce social realities over time. Once internalized, the institutional forces become individuals' perceptions and beliefs, which in turn organize their behaviors to reproduce the same social realities (Berger and Luckmann 1966). Thus, I expect that the influences of the



lifetime employment institution continue to shape workers' experiences of aging even after they exit the institution.

I expect that, during their working years within the lifetime employment institution, post-mandatory retirement workers confronted age discrimination in various areas of their working lives over time. They also perceived their overall age discrimination experiences as justifiable. Over the course of their pre-mandatory-retirement working lives within the lifetime employment institution, post-mandatory retirement workers gradually shifted their self-concept as workers. By the time they reached the age criteria for mandatory retirement corporate policies, they saw themselves as older workers no longer valuable at their workplaces and thus left their *lifetime* workplaces.

Research has suggested that, once having exited the institution, workers tend to experience age discrimination in three common areas: wages, job contents, and opportunities for training. I hypothesize that post-mandatory retirement workers experience age discrimination in these three areas as well as in various other areas of their working lives both within their employers' networks and in the labor market at large. As an age-based control mechanism for individuals' life course transitions, the lifetime employment institution remains influential to post-mandatory retirement workers' attitudes towards age discrimination experiences even after they exit the institution. I hypothesize that even after mandatory retirement, post-mandatory retirement workers continue to perceive their age discrimination experiences as a natural part of their working lives. In three spectrums of their self-concept as workers – their self-esteem, role-identity, and subjective age identity – post-mandatory retirement workers gradually

identify themselves as part of an inactive and unproductive segment of society. I expect that such changes in self-concept are evident particularly among those post-mandatory retirement workers who have already started receiving public pension benefits (from age 65).

## **CHAPTER FOUR:**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **4.1. Synopsis of CHAPTER FOUR**

This dissertation research conducts a life course analysis of qualitative data; it analyzes life story interview data drawn from a sample of 52 male lifetime employment workers – those who have spent most of their working lives under the lifetime employment institution. The interview participants consist of two categories of lifetime employment workers: *pre-mandatory retirement workers* ( $n=29$ ) and *post-mandatory retirement workers* ( $n=23$ ). The former refers to those who are still within the lifetime employment institution; they have spent most of their working lives under the institution but have not yet reached mandatory retirement age (age 60). The latter refers to those who have already been systematically excluded from the institution, having reached the mandatory retirement age. Inclusion of both categories of lifetime employment workers enables my dissertation research to explore the ways in which the lifetime employment institution impacts individuals' experiences of aging over the course of their working lives.

In collaboration with older worker advocacy organizations, the interview participants were recruited in the Tokyo area from May to August 2008. The sampling of the lifetime employment workers was based on *homogeneity* in terms of gender (male), chronological age (age 55 or older), and work histories (having been employed by the same employers for at least 25 consecutive years or longer as *regular employees*. *Variations* in the sample were sought in terms of job characteristics (size of employers, employment

sector, and occupational type) and *human capital* (educational attainment and work-related qualifications).

From August to December 2008, life story interviews were conducted with the 52 lifetime employment workers— an age cohort of male workers who were born between the years of 1940 and 1953 and aged between 55 and 68 (average age = 60.1 years old, average length in the labor force = 37.7 years). The interview participants included 29 pre-mandatory retirement workers, aged between 55 and 59 (average age = 56.9 years old, average length in the labor force = 34.2 years) and 23 post-mandatory retirement workers, aged between 60 and 68 (average age = 64.1 years old, average length in the labor force = 42.0 years).

Incorporating a *grounded theory method* into the data collection process, the life story interviews were conducted in a semi-structured and yet open-ended manner to explore the subject's perceived experiences of aging in the individual workplace and in the labor market at large from their entry into the labor force to the present. Based on a life course approach, the researchers inquired about the participants' life course experiences of aging in the following three specific areas in a chronological manner, beginning with their first entry into the labor market: (1) *experiences of being subject to age discrimination*, (2) changes in *attitudes towards the experiences*, and (3) changes in *self-concepts as workers* over the course of their working lives. Utilizing a Japanese version of *NVivo 8*, a thematic data coding method was used to uncover patterns of similarities in the interview data. The first similarity was found among the 52 interview participants' experiences of aging until mandatory retirement. The second similarity was found among post-mandatory retirement

workers' overall attitudes toward their age discrimination experiences and their self-concepts since mandatory retirement.

Based on the results from the thematic coding analysis, this dissertation delivers two main sets of findings. The first set is *the pre-mandatory retirement experiences of aging* directly under the lifetime employment institution (the experiences of aging as perceived by lifetime employment workers up until their mandatory retirement). This part is based on the life story interview data drawn from the 52 lifetime employment interview participants, and is presented in Chapter Five. The second is the *post-mandatory retirement experiences of aging* after exiting 'lifetime employment' organizations. This part is based on the life story interview data drawn from the sample of 23 *post-mandatory retirement workers* and is delivered as Chapter Six. The 23 post-mandatory retirement workers interviewed for this dissertation research consisted of those who have been 'rehired' by the same employers after mandatory retirement age and those who returned to the labor market after mandatory retirement and found new jobs outside their employers' rehiring arrangements. This part includes similarities and differences of two sets of post-mandatory retirement experiences of aging: those of 'rehired' ( $n=12$ ) and those of 'job market returnee' ( $n=11$ ) workers.

## **4.2. The Life Course Approach and the Life Story Method**

### **4.2.1. The life course approach to the experiences of aging**

My dissertation research aims to uncover the ways in which the lifetime employment institution shapes individuals' experiences of aging over the course of their working lives. As discussed earlier, a social constructionist view of a social institution frames the scope of this dissertation research; external social structural forces as well as individuals who, as agents, have internalized the structural forces in their perceptions and behaviors create over time a cycle of construction and reproduction of social realities, which in turn shape individuals' opportunities and constraints of their future life chances. For this purpose, this dissertation research looks into experiences of aging as perceived by lifetime employment workers. As the research subject of my dissertation, lifetime employment workers are defined as those who have spent most of their working lives under, or as part of, the institution.

This dissertation research focuses specifically on lifetime employment workers' life course experiences in the following three age-related areas: (1) *perceived instances of being subject to age discrimination*; (2) *attitudes towards age discrimination experiences*, and (3) *self-concepts as workers*. Regarding the third area of focus, in order to explore the subjects' experiences of changes to their self-concepts as workers, I examine three major age-related components of workers' self-concepts: *self-esteem*, *subjective age*, and *age-role identity*. This dissertation research includes two categories of lifetime employment workers in the contemporary Japanese workforce: *Pre-and post-mandatory retirement workers*. By exploring both pre-and post-mandatory retirement workers' experiences of aging in the three main areas of focus listed above, my dissertation research aims to uncover the ways in which the lifetime employment institution in Japan

controls individuals' working lives directly under the institution and impacts their working lives after they exit the institution.

I use the *life course* approach as the core method for the exploration of the three areas of the lifetime employment workers' experiences of aging over the course of their working lives. Roughly since the 1960s, sociologists of aging and the life course have developed and are continually refining the life course approach to understanding individuals' long-term life experiences within particular social structural and institutional contexts (Elder and Johnson 2002; Heinz 2003; Marshall and Mueller 2003; Settersten 1998, 2006; Weymann 2003).

A *life course* is the sequence of life events that an individual experiences over time, which in turn shape subsequent life paths of the individual's particular age cohort (Giele and Elder 1998; Sweet and Moen 2006). A life course research generally aims to gain a detailed understanding of the ways in which individuals' experiences with those life events and changes in their social roles have influenced their perceptions and behaviors over time. The overarching goal of life course research is to gain knowledge as to how life course experiences shape opportunities and constraints of individuals' future lives (Bengtson and Allen 1993; Elder and Johnson 2002; Settersten 1998, 2006).

Both the social constructionist and the life course approaches are major theoretical and methodological frameworks in the discipline of sociology today. Rather than being two separate perspectives, these two share a very similar premise with respect to their views of how structures (social institutions) and agencies (individuals) interact with one another and construct and reproduce the social worlds in which individuals experience their lives over an extended period of time. Both perspectives commonly view

individuals as being socialized into existing social structures and institutions, which powerfully shape their behaviors and perceptions, including their attitudes toward their life experiences. Individuals' self-concepts – including their self-esteem, subjective age, and age-role identity – are shaped through and altered over time by socialization and re-socialization processes over the course of their lives (Powell 2010). Social structures and institutions also largely determine individuals' decisions for future life directions such as retirement and continued work (Hendricks 2006; Marshall 2007).

Simultaneously, both social constructionist and life course perspectives argue that individuals are not merely subject to the structural and institutional forces of broad society. Indeed, the internalized self-concepts that impact their beliefs, attitudes, and behaviors in turn reproduce the social structures and institutions surrounding their daily lives (Powell 2010; Riessman 1993). Both perspectives, therefore, focus on the connection between individuals and the historical, social, and institutional contexts in which these individuals live. Namely, both perspectives commonly aim to explore or examine processes by which individuals' long-term life experiences, such as those of aging, are socially constructed through their life course (Hendricks 2006; Sweet and Moen 2006).

#### 4.2.2. The life story method: An overview

Life course researchers often utilize the *life story method* in order to understand particular aspects of long-term life experiences as perceived by their research subjects (Bertaux and Kohli 1984; Hendricks 2006; Weymann 2003). The life story method



collects original data through the subject's recollections of the ways in which they understand and make sense of particular aspects of their life experiences. This method aims primarily to explore how the subject internalizes and responds to meanings and values imposed by broader social structures and institutions. This data collection method is useful particularly to explore and uncover particular individuals,' or groups of individuals,' long-term life experiences under social institutions, circumstances, or cultural contexts that are lesser known to the literature (Riessman 1993; Walker 2005, 2006).

Bertaux and Kohli (1984) define 'life stories' as oral or autobiographical narratives of the subject's long-term life experiences. Life stories of various individuals who have experienced living in similar social institutions connect their personal narratives to the influences of the social institution (Kohli 1985). Each life story is particular to one individual research subject. Nonetheless, by gathering life stories from a multiple number of individuals who share the same or similar life events, the life course method seeks certain crucial aspects of their life experiences – such as life events, the order of such life events, and changes to their social statuses – which help draw into bold relief the ways in which the surrounding social institutions shape their life experiences over time (Chase 2005; Elder and Johnson 2002). As Kohli (1985) argues, therefore, the life story method is useful particularly when researchers aim to uncover how particular social institutions shape and control particular aspects of individuals' long-term life experiences; this is accomplished by exploring the subjectivities of individuals that provide a window into life “from within” the social institutions. Data gathered through the life story interview method are instrumental to uncovering patterns and changes in

individuals' experiences, which surveys aiming to conduct causal analysis cannot due to their fragmented approach of examining the effects of specific variables on given outcomes in a population. This has the effect of both incorporating the subject's perspective and reflecting the expectations of those in the surrounding social and institutional milieus (Bertaux and Thompson 1997; Miller and Crabtree 2004; Powell 2010)

When using the life story method, typically researchers prompt the subject to recall and narrate, often in a semi-structured manner, their life experiences from their own perspectives (Clausen 1998). In this context, researchers take the subject into their past, ask them to narrate the transitions of their life experiences in a chronological order. Researchers then use these life stories as data that are organized around critical events in the course of the subjects' lives. When asking the subjects to narrate their life stories, researchers seek to construct and reconstruct the meanings that the subjects have attached to their experiences, and to uncover institutional contexts within which the subjects' life experiences have been embedded (Thompson 2000).

Each subject's life story consists of a past, present, and future. The life story method reveals the links between the changes in the subjects' life experiences and those in the social structures surrounding their lives (Plummer 2001). The subject is viewed as an active agent that adapts to the social surroundings, internalizes external social structural forces, and shapes his or her views of future life directions (Thompson 2000; McAdams 2006). In other words, this method thus allows a micro – individual – level of analysis of the social structural and institutional forces in society (Heinz 2003; Marshall and Mueller 2003). Viewed as active agents in constructing social realities surrounding

their daily and long-term life experiences, the research subjects recount life stories that are instrumental in illuminating social structural and institutional frameworks surrounding individuals' long-term social lives by exploring the ways the research subject makes sense of, or tells stories about, their own long-term life experiences<sup>30</sup> (Weymann 2003).

The life story method is a very suitable method for this dissertation research on the experiences of aging as perceived by individuals who have spent most of their working lives under the institution of lifetime employment in Japan. The life story method is one of the most powerful methodological tools for investigating and describing the interplay between structure and agency (Giddens 1984, 1990). My dissertation research, too, aims to uncover the interplay between the institution of life time employment as a set of social structures and lifetime employment workers as agents who are part of the institution. This particular data collection and analysis method is based on an assumption that the individual life course experiences are contextualized in the broader social structures; the social structures and institutions shape individuals' perceptions and constrain their decision-making over time. The life course approach is thus useful for illuminating the main characteristics and features of the lifetime

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<sup>30</sup> Stephen Humphries's *Hooligans or Rebels? An Oral History of Working Class Childhood and Youth 1889-1939*, published in 1981, was one of the first sociological inquiries to use the life story method as the chief method for data collection and analysis. Humphries's work contributed to drawing serious scholarly attention to the usefulness of the life course method in understanding particular social groups' long-term life experiences (Hendricks 2006). Since then, over roughly the last three decades, the life story method has gained increasing importance among researchers of aging and the life course. There has been increasing demand in the literature for uncovering the impacts of unique social institutions on individuals' long-term life experiences, such as experiences of growing older under specific labor market institutions within specific occupations. In this context, the life story method has been one of the key methodological and interpretive focuses in the literature (Kohli 1985; Weymann 2003).

employment institution in Japan as an age-based social control mechanism under which the research subjects of my dissertation have spent their working lives.

### **4.3. The Dataset: The ‘Lived Experiences of Older Workers’ Study**

#### 4.3.1. Overview of the ‘Lived Experiences of Older Workers’ study

As mentioned earlier, this dissertation research uses a selected portion of data gathered by a cross-national comparative research project titled the *Lived Experiences of Older Workers Study*. This study was conducted by a group of researchers affiliated with three research institutes: Middlesex University Business School (London), Keio University Labor Economics Department (Tokyo), and Sloan Center on Aging & Work at Boston College (Boston). The data for this study were obtained during the period between September 2008 and May 2009. This dataset has been disseminated into the Middlesex University Data Archive since June 2009.<sup>31</sup>

The *Lived Experiences of Older Workers Study* is designed to explore the impact of national employment institutions on older workers’ past and current experiences of aging and of being in old age, including experiences of confronting institutional age discrimination and markers of age. As a cross-national comparative study, this project compares and contrasts those experiences both in the individual workplace and in the

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<sup>31</sup> This study was funded or supported by three institutions: The British Council PM12 Connect Program, the Great Britain Sasakawa Foundation, and the Sloan Center on Aging and Work at Boston College.

national labor market at large in two conceivably different national contexts: Japan and the United Kingdom.

The scope of this project includes the impact of the institution of lifetime employment in Japan and that of anti-age discrimination law in the U.K. enacted since 2006. This project gathered data on Japanese and British older workers' perspectives on structural and institutional factors in the labor market that marked their age, changes their social status in the workplace and in the labor market, and generated age barriers to their continued employment beyond conventional retirement ages. In this context, 'structural factors' included employment-related government regulations, corporate policies, and employer human resource management practices, and other 'events' in their working lives that affected their experiences of aging. As will be mentioned later, in the process of data collection for the *Lived Experiences of Older Workers Study*, other factors emerged, including conditions of national economy, national culture with respect to work, and industrial, occupational, and workplace culture framing human relationships. This project also asked about the changes in workers' attitudes towards those factors generating age barriers and changes in their self-concept as workers. The research questions asked in this project include the three sets of specific research questions for my dissertation outlined above: how the institution of lifetime employment has shaped and changed workers' experiences of (1) being subject to age discrimination, (2) attitudes toward the age discrimination experiences, and (3) self-concepts as workers.

#### 4.3.1. Sampling

The sample of the *Lived Experiences of Older Workers Study* was recruited in the London and Tokyo areas as representative regions of the projects' two countries of focus. In the Tokyo area, the project gathered data from a sample of 81 individuals who were born between the years 1936 and 1953 and resided in the Tokyo area at the time of the data collection. The main sampling criteria used for recruiting these research participants were that (1) the participants were aged 55 and older and that (2) they had at least a total of 25 years of experience in the labor force over the course of their working lives.

The age criterion, "*age 55 and older*," as opposed to an older age group, was used for the sampling of the project based on reasons discussed below. In Japan, currently, the major policy objective of the national government is to promote labor force participation among those aged 60 and older. Having mandated in April 2006 that employers increase the age criteria for mandatory retirement rules to at least age 63, the government is now implementing a variety of policy measures to further increase the age criterion up to age 65 by April 2013 (Williamson and Higo 2007). Since 2007, the Cabinet Office of the national government has further engaged in a national campaign using a variety of award and subsidy programs to encourage employers to continue employing their older workers at least until age 70 (Cabinet Office, Government of Japan 2008). Thus, those workers currently aged between 55 and 62 are not even at the target age of such government policy measures; they may rather be classified among middle-aged workers in the current Japanese context.

However, it is valuable to lower the age criteria for the sampling of the project down to age 55 and older. This is the case because data drawn from this age group may generate valuable findings with respect to the ways in which workers in Japan have

experienced the impact of the national labor market institution in Japan – the institution of lifetime employment. In the current Japanese contexts (including the British contexts, too), the 50+ age group includes the largest age cohort groups of the country's history, the baby boom generations.<sup>32</sup> Given the size of this age group, their future labor market behaviors will profoundly affect the size and productivity of the country's labor force and a variety of forms of fiscal burdens on younger age groups in the country in coming decades (Higo 2006; OECD 2007).

The second sampling criterion, “*having at least a total of 25 years of work experience in the labor force,*” was important for the sampling process because research on the experiences of older workers has often used this duration as a minimum length of working life experience to understand the subject's age-related experiences in the labor market (see, Hendricks 2006; Marshall 2007). The sample of this project included participants who have experienced a variety of employment statuses, including ‘regular employment’ (full-time and presumably on a permanent contractual basis), ‘non-regular-employment’ (part-time, temporary, contract employment status, etc.), and self-employment. The sample also included those who are currently out of the labor force such as job seekers, self-defined temporary retirees, and complete retirees.

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<sup>32</sup> The baby boom generation in Japan is often referred to as the *Dankai* generation in Japanese literature, which literally means a coherent, solid generational group. Unlike the baby boomers in the United States, which last for 18 years, however, the Dankai generation lasts only for three years and thus makes up a much smaller fraction of the total population compared with the U.S. counterpart (Amano, 2001). Born between 1947 and 1949, the Dankai generation is approximately 7 million in number – much larger than any other generation in the country's history. There were about 20% more people born in Japan during the baby boom years than in the previous three years, and some 26% more than in the following three years (MHLW 2006).

#### 4.3.2. Recruitment

The sample of the *Lived Experiences of Older Workers Study*, both for Japan and the U.K., was recruited based on a *purposive sampling* method in order to obtain both *homogeneity* and *maximum variation* in the sample (Miles and Huberman 1994).

Homogeneity in the sample was sought in terms of age (age 55 or older) and work histories (having at least a total of 25 years of work experience). Variations in the sample were sought in terms of four major characteristics: (1) demographic, (2) job-related, (3) human capital-related, and (4) family context-related.

For the (1) demographic characteristics, variations were sought for the sample's chronological age, aggregate years of work, and gender. For the (2) job-related characteristics, variations within the sample were sought for employment status, size of the workplace, industrial sector, employment sector (public or private), and occupational type. For the (3) characteristics related to human capital, variations were sought for educational attainment and job-related qualification (officially recognized qualification, skills developed through work, etc.). Finally, for the (4) characteristics related to the sample's family contexts, variations were sought in terms of marital status and spouse's employment status.

Research participants in the Tokyo area for the *Lived Experiences of Older Worker Study* were recruited in collaboration with eight *national stakeholder organizations*. These organizations are: (1) The Silver Human Resource Center, Tokyo Headquarters<sup>33</sup>; (2) Silver Human Resource Center, Shinagawa Branch<sup>34</sup>; (3) Silver

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<sup>33</sup> This organization is located in 3-10-3 Idabashi, Chiyoda-ku, Tokyo.



Human Resource Center, Meguro Chapter<sup>35</sup>; (4) Japan Association for Employment Opportunities for the Aged<sup>36</sup>; (5) Japan Organization for Employment of the Elderly and Persons with Disabilities<sup>37</sup>; (6) Japan Association of Work and Development of the Aged<sup>38</sup>; (7) Japan Aging Research Center<sup>39</sup>; (8) Koureisha, Inc.<sup>40</sup> Due to their official organizational commitments to assist older adults' social well-being and economic activities across all eight organizations, this project considered them as national stakeholder organizations aiming to promote older persons' labor force participation throughout the country and in the Tokyo area in particular.<sup>41</sup>

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<sup>34</sup> This organization is located in 3-11-16 Kitashinagawa, Shinagawa-ku, Tokyo.

<sup>35</sup> This organization is located in 1-25-26 Meguro, Meguro-ku, Tokyo.

<sup>36</sup> This organization is located in 1-2-3 Ōtemachi, Chiyoda-ku, Tokyo.

<sup>37</sup> This organization is located in 1-11-1 Kaigan, Minato-ku, Tokyo.

<sup>38</sup> This organization is located in 5-22-10 Shinbashi, Minato-ku, Tokyo.

<sup>39</sup> This organization is located in 2-15-14 Tsukiji, Chuo-ku, Tokyo.

<sup>40</sup> This organization is located in 4-12-7 Sotokanda, Chiyoda-ku, Tokyo.

<sup>41</sup> The first four national stakeholder organizations listed above are semi-government agencies that are operated largely under the guidance of the Japanese Ministry of Health, Labor, and Welfare. Those four organizations provide their program participants (required to be age 50 or older) with job-related counseling, training, and education programs, assist them in finding prospective employers, and also engage in job-creation for them based on public subsidies. The organizations listed as the 5<sup>th</sup> through 7<sup>th</sup> are also semi-government agencies operated under the same national government agency, but they function mainly as nationally-representative think-tanks or de facto older worker unions, which aim to advocate for the social and economic well-being of those middle-aged and older persons who are employed, including these persons' employment opportunities beyond the conventional retirement age (currently around age 60). In the realm of national labor policies, these organizations have strongly impacted the policymaking process in both the National Diet and the Cabinet Office in Japan (Higo 2006). Finally, the last organization, Kouresiha, Inc., is a private, for-profit business

In May, 2008, the research team of the *Lived Experiences of Older Workers Study* made initial contacts to all the eight organizations listed above. The research project team sent out a letter requesting their assistance in recruiting potential participants for the project. In response to the request, from the middle of May to the end of June 2008, each of the eight organizations announced a brief summary of the project's purposes, design, and methods to their program participants, affiliated individuals, and employees. To make the announcement, these organizations sent out emails and put advertisements on public bulletin boards located in their organizational facilities.

Those who were interested in participating in this project and considered themselves fitting the sampling criteria (aged 55 and older and having at least 25 years of work experience as employees) were asked to notify their affiliated organizations of their interest by the middle of July in the same year. For this process, some of the organizations prepared and used sign-up sheets for recording the interested individuals' basic profiles such as name, gender, brief career backgrounds, and contact information.

By the beginning of July in the same year (2008), the research team gathered from the organizations the information of the potential participants for the study. Out of the list of the interested individuals, the research team selected the sample based on the aforementioned purposive sampling criteria. At this stage, 83 individuals were identified as potential participants for the project. By the end of the same month, the research team

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organization. Since its establishment in 1998, this organization has become nationally known for its unique human resource management strategies in these times of the aging of Japan's workforce. Founded by three retirees of the largest utility supplier in Japan, this organization has employed only those who have retired from their careers (mostly in utility-supply skilled jobs) because of a mandatory retirement policy. Therefore, not only the founders but also most employees of the organization are aged 60 and older (Koureisha 2008).

directly contacted the selected possible participants to confirm their interest in participating in the project. When necessary, the research team asked some of the organizations to mediate communication between the team and potential participants; some individuals reported their interest in participating in the project but did not provide the research team with their contact information. When contacting the selected possible participants, the research team provided further specific information about the project and set up appointments for semi-structured, face-to-face life story interviews, which will be discussed in more detail below.

#### 4.3.3. Data collection: The life story method and the grounded theory method

As mentioned earlier, the *Lived Experiences of Older Workers Study* collected data from the research participants using the *life story method*. In addition, the project also incorporated the *grounded theory method* into the data collection process in order to enhance the quality of the data drawn from the participants. Rather than conducting data collection and analysis as two separate research processes, the grounded theory method aims to merge these two processes in order to allow new themes that were not anticipated prior to beginning the data collection to emerge from the initial analysis while the data collection is still ongoing (Glaser and Strauss 1967). Integrating the grounded theory method into the life story method, the project obtained data about the participants' experiences of aging in a semi-structured yet open-ended manner.

Within the framework of the life story method, the *Lived Experiences of Older Workers Study* designed and conducted a set of semi-structured, face-to-face interviews

with the research participants. Through the life story interviews, the research team systematically asked the participants to recall and narrate their experiences of aging in the individual workplaces and in the labor market at large (in Japan). **Appendix 1** (The Lived Experiences of Older Workers Study Interview Protocol) shows all the research questions used for this project.

What follows are the core questions that the research team asked with the life story method, all of which are compatible with the specific research questions of my dissertation research. With these questions, the research team also gathered data that connect the participants' personal life stories with the social structures surrounding their daily and long-term working life experiences. The three core questions are as follows:

(1) Experiences of being subject to age discrimination:

Over the course of the participants' working lives, have they ever experienced being subject to age discrimination, including both positive and negative discrimination, either in their individual workplaces or in the labor market at large? If so, when in the course of their working lives and in what areas of employment conditions (e.g., wages, training, and promotion) do they perceive that they have been subject to age discrimination? If not, over the course of their working lives, have they ever gone through any work-related experiences that marked their age, either in their individual workplaces or in the labor market at large? If so, when in the course of their working lives did this occur and what events or circumstances did they perceive marked their age?

(2) Attitudes towards the age discrimination experiences:

If the participants have experienced either positive or negative age discrimination in their individual workplaces or in the labor market at large, did they view these

instances of perceived age discrimination as justifiable (rational) or unjustifiable (irrational)? How do they account for their attitudes toward specific instances of perceived age discrimination (e.g., why justifiable)? How did their attitudes towards age discrimination and rationales for their attitudes change over the course of their working lives? How do the participants perceive that conditions of broad social structures have contributed to the instances of age discrimination that they have experienced over the course of their working lives? Broad social structures include, but are not limited to, national economy, the role of the government in the labor market, corporate policies, and institutionalized employer human resource management practices, and workplace cultures.

(3) Changes to self-concepts as workers:

How do the participants perceive that the following three aspects of their self-concepts as workers have changed over the course of their working lives: (a) their self-assessed value as workers, (b) their appropriate roles in the workplace, and (c) how old they perceive themselves to be both at the workplace and in society at large? How do they perceive that conditions of the national economy, national culture with respect to work, government regulations, corporate policies, employer human resource management practices, and changes in any of these, have contributed to their self-concepts as workers and changes in them over time?

The research team inquired of the participants about their experiences of aging in the labor market over the course of their working lives. In a semi-structured manner, the research team facilitated the recollection of their life stories chronologically, beginning with their first entry into the labor market (often in their late teens or early 20s), including

the paths of their career development, and ending with their current situation and future prospects. With the use of the grounded theory method, the interviews were conducted in an open-ended manner as well. Some of the participants provided information that was not requested by the research team but was very relevant to the overall research theme of the project – how they have aged in the individual workplaces or in the labor market. In this case, the research team encouraged the participants to provide further detailed information.

At the recruitment stage, as mentioned earlier, the *Lived Experiences of Older Workers Study* identified 83 potential participants for the interviews. Due mainly to unexpected unavailability of two of the potential participants, the research team ended up conducting the life story interviews with 81 participants. Most interviews were conducted at the participants' residences. Some interviews were done at their workplaces and some in conference rooms at Keio University. On average, each interview lasted about 2 and a half hours. Japanese is the primary language of all interview participants. Thus, all 81 life story interviews were conducted and recorded in Japanese. Interviews were audio-recorded with digital voice-recording devices which have allowed secure and efficient transfer of the interview data to a Japanese version of *NVivo 8* to organize, theme-code, and analyze all interview data. All data were transcribed in Japanese, and, as mentioned earlier, the data have been disseminated into the Middlesex University Data Archive since June 2009.

#### **4.4. The Dissertation Research: Data Analysis Procedure**

#### 4.4.1. Exploratory research

This dissertation research is primarily an *exploratory* study. As Stebbins (2001) defines it, the primary goal of exploratory research is to seek and yield significant insights into social experiences, situations, or problems that have not yet been clearly defined, rather than to systematically test a set of given hypotheses yielded from thorough prior research into the same problems. Thus, unlike causal research, exploratory research often aims to discover and gather knowledge on why, how, and when certain social phenomena appear and are experienced by individuals, rather than pursuing generalizable knowledge on how often or how many times such social events occur (Denzin and Lincoln 2000). By its fundamental nature, exploratory-purpose research aims to *inductively* examine certain social realities, define problems, suggest hypotheses, and determine the most suitable research design for future, more thorough and specific research (Chase 2005; Ragin 1994; Stebbins 2001).

The primary goal of this dissertation research is to contribute to the body of existing knowledge of the lifetime employment institution in Japan by uncovering how this labor market institution shapes and controls individuals' experiences of aging over the course of their working lives. While this labor market institution itself has already been well discussed in the literature, individuals' experiences of aging under this institution have hardly been explored to date. The findings of this dissertation research may not be generalized to the total population of research subjects – all individuals who have ever experienced aging under the institution. Rather, with its exploratory purpose, this dissertation research aims to discover and gather preliminary, narrow, yet in-depth,

knowledge about the subjects' lived experiences of aging that may help define more specific agendas for future research and yield sources for policy recommendations for those who are interested in finding ways to locate and mitigate labor market institutional barriers to older workers' continued work beyond conventional retirement age.

#### 4.4.2. Data selection procedures: Defining 'lifetime employment' workers

This dissertation research has used a selected portion of the life story interview data drawn from the 81 Japanese interview participants for the *Lived Experiences of Older Workers Study*. The *Lived Experiences of Older Workers Study* drew data from 81 Japanese participants with a variety of employment statuses including those who are self-employed. This dissertation research focuses specifically on *lifetime employment workers* as defined by the following criteria.

Data selection process for this dissertation research began with defining *lifetime employment workers*. In this dissertation I defined this category of worker as those who meet all the three criteria as follows:

- (1) Gender: *Men*
- (2) Length of employment: *Have been employed by the same employers (or within these employers' networks) for at least 25 consecutive years or longer*
- (3) Employment status: *Employed on a full-time and presumably indefinite contract basis*

As well documented in the literature, the lifetime employment institution is experienced primarily by male workers (see, Seike and Yamada 2004). Thus, to be used as the data



selection procedures, this dissertation research defined lifetime employment workers *those men who have been employed by the same employers (or within these employers' networks) for at least 25 consecutive years or longer and on a full-time and presumably indefinite contract basis.*

As discussed earlier, lifetime employment does not refer to a particular contractual status; neither workers nor employers are under obligation to guarantee 'lifetime,' or even long-term, employment. Lifetime employment actually refers to a behavioral outcome of both employers' and workers' mutual long-term engagement (Ono 2007). As a behavioral outcome, lifetime employment is understood as a worker's experience of being employed immediately after the completion of schooling and staying with the same employer (or within the employer's networks) on a full-time, presumably indefinite, contract basis, until (prospective) mandatory retirement at around age 60. As a result, the data for my analysis have been drawn from a sample of 52 lifetime employment workers – an age cohort of male workers who were born between the years of 1940 and 1953, between the chronological ages of 55 to 68, and resided in the Tokyo area at the time of the data collection.

#### 4.4.3. Description of the sample: Lifetime employment workers

Table 9 presents a selected profile of the sample of lifetime employment workers for this dissertation research ( $n=52$ ). Table 10 presents the main characteristics of this sample. In what follows, I describe characteristics of the sample based on the information presented in these two tables.

As for the demographic characteristics of the sample, the chronological age of the sample ranged from age 55 to 68. The average age of this sample was 60.1 years old, and the average number of years of employment was 37.7 years. All the 52 interview participants were men.

As for the job-related characteristics, 32 out of the 52 interview participants reported that they were employed at private sector workplaces (about 61.5% of the sample). 20 out of the 52 interview participants reported that they were employed at public sector workplaces (about 38.5% of the sample). Majority of the sample for this dissertation research works for what are considered large-size employers in the Japanese context – typical workplaces in which lifetime employment have been institutionalized in Japan (Seike and Yamada 2004).

20 out of the 52 interview participants reported that they worked for employers with more than 5,000 employees (about 38.5% of the sample). 14 participants reported that they worked for employers with 1,000-4,999 employees (some 26.9% of the sample). 12 participants reported that they worked for employers with 300-999 employees (some 23.1% of the sample). Six participants reported that they worked for employers with 100-299 employees (some 11.5% of the sample).

Industrial sectors in which the participants reported that they have worked are nearly equally distributed across 13 different categories (between 5.8% and 9.6% of the sample): Construction, Education/Research, Finance/Insurance, Healthcare/Welfare, Manufacturing, Real Estate, Restaurant/Hotel, Services, Steel/Mining, Telecommunication, Transportation, Utilities, and Wholesale/Retail. 37 out of 52 interview participants reported that they were employed in private employment sectors

(about 71.1% of the sample). The remaining 15 participants (some 28.9% of the sample) all identified themselves as public (or, semi-public) sector employees.

Two participants reported that they held professional-level jobs at their workplaces (about 3.8% of the sample). 13 participants reported that they had managerial-level jobs (some 25.0% of the sample), and 20 participants reported that they had clerical-level job (about 38.5% of the sample). 17 participants reported that they had manual-level jobs (some 32.7% of the sample).

As for the human capital-related characteristics of the sample, two participants reported that they had post-graduate education (about 3.8% of the sample). 25 participants reported that they had 4-year college education (some 48.1% of the sample). 12 participants reported that they had 2-year college (or post-high school vocational) education (about 23.1% of the sample), and 13 participants reported that they had only high school education (some 25.0% of the sample).

17 out of the 52 interview participants reported that they had work-related qualifications (about 32.7% of the sample). In this context, the category of “qualifications” refers to nationally recognized profession-related certificates or licenses. Eight participants reported that they were skilled (some 15.4% of the sample). The category of “skills” includes those skills that are not necessarily recognized by national authorities but that are highly valued in the labor market, such as mastery of computer software designed specifically for professional-level users. In total, about 48.1 percent of the sample for this dissertation research reported they had been either formally qualified (by government authorities) or substantially skilled (through their long-term career).

**[Tables 9 and 10 go about here]**

#### 4.4.4. Description of the sample: Pre-mandatory retirement workers

The sample of the lifetime employment workers ( $n=52$ ) for this dissertation research consists of two different categories of workers: *Pre-mandatory retirement workers* ( $n=29$ ) and *post-mandatory retirement workers* ( $n=23$ ). Both categories of workers are a direct product of the presence of the institution of lifetime employment in the contemporary labor market in Japan. Inclusion of both categories of workers helps generate meaningful data to uncover the ways in which the institution shapes individuals' experiences of aging over their course of their working lives.

Table 11 presents a selected profile of the sample of pre-mandatory retirement workers, and Table 12 summarizes the main characteristics of this sample. In what follows, I describe characteristics of the sample based on the information presented in these two tables.

The chronological age of the sample ranged from age 55 to 59. The average age of this sample was 56.9 years old, and the average number of years of employment was 34.2 years. All interview participants were male, accounting for about 41 percent of the sample. All 29 interview participants identified themselves as “regular employees” – a typical employment status in the lifetime employment institution in Japan.

Eighteen out of the 29 interview participants reported that they worked for employers with more than 5,000 employees (about 62 percent of the sample). Eight reported that they worked for employers with 1,000-4,999 employees (some 28 percent of the sample). In Japan's labor market, both of these organizational sizes are considered

large-scale employers – a typical characteristic of employers practicing ‘lifetime employment’ (Seike and Yamada 2004). Only three interview participants reported that they worked for employers with 300-999 employees (some 10.3 percent of the sample).

Industrial sectors in which the participants reported that they have worked are nearly equally distributed across 13 different categories: Construction, Education/Research, Finance/Insurance, Healthcare/Welfare, Manufacturing, Real Estate, Restaurant/Hotel, Services, Steel/Mining, Telecommunication, Transportation, Utilities, Wholesale/Retail. Eight of the interview participants reported that they were employed in public (or semi-public) employment sectors (about 28 percent of the sample). The remaining 21 participants all identified themselves as private sector employees.

12 interview participants reported that they held managerial-level jobs at their workplaces (about 40 percent of the sample). 10 participants reported that they had clerical-level jobs (some 35 percent of the sample). Five participants and two participants, respectively, reported that they had manual jobs and professional jobs (about 17 percent and 7 percent of the sample, respectively).

15 interview participants reported that they had 4-year college education (about 52 percent of the sample). Six participants reported that they had 2-year college education (or post-high school vocational education) (some 20 percent of the sample). Another six participants reported that they had high school education only (about 20 percent of the sample). Only two participants reported that they had post-graduate education (some 7 percent of the sample). Eight participants reported that they had work-related qualifications (about 28 percent of the sample). In this context, the category of “qualifications” refers to nationally recognized profession-related certificates or licenses.

Six participants reported that they were skilled (some 21 percent of the sample). The category of “skills” includes those skills that are not necessarily recognized by national authorities but that are highly valued in the labor market, such as mastery of computer software designed specifically for professional-level users. In total, about 52 percent of the sample reported they had been either formally qualified (by government authorities) or substantially skilled (through their long-term career).

**[Tables 11 and 12 go about here]**

#### 4.4.5. Description of the sample: Post-mandatory retirement workers

Table 13 presents a selected profile of the sample of post-mandatory retirement workers ( $n=23$ ) for my dissertation research. Table 14 provides a summary of the main characteristics of this sample. In what follows, I describe characteristics of the sample based on the information presented in these two tables.

The chronological age of the sample ranged from 60 to 68. The average age of the sample was 64.1 years old, and the average year of employment was 42.0. All interview participants were male and identified themselves as non-regular employees. As discussed earlier, while regular employees generally comprise the core workforce of the lifetime employment institution in Japan, typically workers become non-regular employees after reaching the mandatory retirement age.

Most of the participants reported that they worked for small or medium-sized employers at the time of data collection. Nine participants reported that they worked for employers with 300-999 employees (about 40 percent of the sample). Six participants

reported that they worked for employers with 100-299 employees (some 26 percent of the sample). Another six participants reported that they worked for employers with 1,000-4,999 employees (accounting for another 26 percent of the sample). Only two participants reported that they worked for employers with 5,000 and more employees (about 9 percent of the sample). Industrial sectors in which the participants reported that they have worked are nearly equally distributed across the aforementioned 13 different categories.

Seven participants reported that they were employed in public (or semi-public) employment sectors (about 30 percent of the sample). The remaining 16 participants all identified themselves as private sector employees. 12 participants reported that they held manual-level jobs (about 52 percent of the sample). 10 participants reported that they worked on the clerical level (some 44 percent of the sample). Only one participant reported that he worked a professional-level job (about 7 percent of the sample).

10 participants reported that they had 4-year college education (about 44 percent of the sample). 6 participants reported that they had 2-year college education or post-high school vocational school education (some 26 percent of the sample). Seven participants reported that had only high school education (about 30 percent of the sample).

10 participants reported that they had either work-related qualifications or substantial professional/occupational skills (about 44 percent of the sample). Of these 10 participants, eight reported that they had work-related qualifications (about 35 percent of the sample), and two reported that they were skilled (some 9 percent of the sample).

**[Tables 13 and 14 go about here]**

#### **4.5. Data Coding Method and Procedure**

#### 4.5.1. Data analysis strategy: The thematic coding method

In this dissertation research I have analyzed the life story interview data drawn from a sample of 52 lifetime employment workers. Based on a life course perspective, I analyzed the experiences of aging as perceived by the participants in a chronological manner; I looked into the participants' life stories about their experiences of aging from the beginning of the course of their working lives. All of the interviewees began their life stories from the time at which they entered the labor force, shortly after the completion of their schooling. From this point on, the participants' life stories evolved through the course of their working lives, including their current situations and their views of future prospects for their working lives.

Using a Japanese version of *NVivo 8*, I have conducted a *thematic data coding and analysis* of the life story interview data. Thematic coding is a standard analytical method of analyzing qualitative data, which seeks to detect patterns of similarities (or commonalities) and differences (or variations) in the data. By seeking these patterns, a thematic coding method aims to find coherent narratives from the data such as those drawn from a group of individuals who share the same or similar life experiences (Gibbs 2007; Seidel and Kelle 1995). With this data coding method, I looked into patterns of similarities and differences in the life stories narrated by the 52 interview participants with respect to the three sets of questions inquiring into the subject's (1) *experiences of being subject to age discrimination*; (2) *changes in attitudes towards these experiences*; and (3) *changes in self-concepts as workers* over the course of their working lives.



Guided by the life course perspective, I tracked sequences of the interview participants' experiences of aging over the course of their working lives. To explore the experiences of aging as perceived by the interview participants, my data coding began with seeking patterns of similarities and differences from their entry into the labor force up until the time of the data collection. The interview data were also drawn by the aforementioned *grounded theory method*. Therefore I also sought patterns of similarities in the life stories of these two groups' datasets that were not expected in my research questions but that are relevant to their experiences of aging. Main structural factors shaping the participants' experiences of aging at this particular stage of the course of their working lives included: (1) institutionalized employer human resource practices (e.g., setting upper-age limits for hiring), and (2) public policy (e.g., affirming employers' age-based hiring practices).

#### 4.5.2. How do individuals age directly under the lifetime employment institution? Pre-mandatory retirement experiences

My thematic coding analysis had found *similarities* in the experiences of aging as perceived by the 52 interview participants directly under the lifetime employment institution. These similarities include the interview participants' common recollections of (1) *perceived instances of being subject to age discrimination*, (2) *attitudes toward the age discrimination experiences*, and (3) *self-concepts as workers*, over the course of their working lives up until reaching mandatory retirement age (age 60). I have therefore

defined these findings as *pre-mandatory retirement experiences of aging*. Chapter Five will be dedicated to delivering my analysis and discussion on these findings.

Pre-mandatory retirement experiences of aging have included data drawn not only from *pre-mandatory retirement workers* ( $n=29$ ) but also from *post-mandatory retirement workers* ( $n=23$ ). Data drawn from *post-mandatory retirement workers* include valuable information with respect to their pre-mandatory retirement experiences of aging.

My thematic data coding for the 52 lifetime employment workers have been done based on a *life course approach*. First, I sought similarities in the interview participants' recollected experiences of aging since their entries into the lifetime employment institution (when first employed by their 'lifetime employment' organizations). I have identified *five* instances of age discrimination experiences that the 52 interview participants most commonly recalled that they had experienced over the course of their working lives until reaching the mandatory retirement age. The five commonly perceived instances of age discrimination had been experienced in the order as outlined below. The historical timeline and the corresponding chronological ages of the interview participants consist in the following *five phases of the pre-mandatory retirement experiences of aging*:

Phase 1: Between the late 1950s and the mid 1970s

(The chronological ages: Between 18 and 26)

Phase 2: Between the early 1970s and the early 1980s

(The chronological ages: Between the early 20s and the early 30s)

Phase 3: Between the mid 1980s and the early 1990s

(The chronological ages: Between the early 30s and the early 40s)

Phase 4: Between the mid 1990s and the early 2000s

(The chronological ages: Between the late 40s and the late 50s)

Phase 5: Between the early 2000s and the late 2000s

(The chronological ages: Between the mid 50s and the late 50s)

Each of the five phases of the experiences of aging also includes the attitudes toward the specific age discrimination experiences and the self-concepts as workers as most commonly recalled that they experienced during that time (i.e., at those chronological ages). In each of the five phases, I have also incorporated into my analysis the most commonly perceived structural factors that shaped their experiences of aging.

In order to assure that the findings of my data analysis are unique to the lifetime employment workers' experiences of aging, I have also conducted data coding and analysis of additional data drawn by the aforementioned *Lived Experiences of Older Workers Study*.

When analyzing the life stories of the 52 lifetime employment workers to explore the pre-mandatory retirement experiences of aging, I compared and contrasted my findings with the life story interview data drawn from eight individuals who are 'non-lifetime employment workers.' Table 15 shows a selected profile of eight interview participants who identified themselves as 'non-lifetime employment workers.' These 'non-lifetime employment' interview participants (for the *Lived Experiences of Older Workers Study*) include five individuals who identified themselves as *self-employed workers* and three individuals who reported that they were *family business employees/helpers*. The chronological ages and years in the labor force of these interview participants were similar to those of the sample of 52 lifetime employment workers. The

chronological age of this category of workers ranged from 53 to 59 with an average of age 55.4 years old. The average number of years in the labor force was 32 years. However, due to their employment status, these individuals' working lives are clearly outside the institution of lifetime employment in Japan.

**[Table 15 goes about here]**

#### 4.5.3. How do individuals age after exiting the lifetime employment institution? Post-mandatory retirement experiences

Chapter Six will be dedicated to presenting my analysis of the interview participants' experiences of aging since they were systematically excluded from their 'lifetime' workplaces at age 60 – the most common mandatory retirement age. Based on the thematic coding analysis, I had identified *similarities* in the experiences of aging as perceived by the 23 *post-mandatory retirement workers*.

Same as the case of the pre-mandatory retirement experiences of aging, these similarities include the interview participants' common recollections of (1) *perceived instances of being subject to age discrimination*, (2) *their attitudes toward the age discrimination experiences*, and (3) *their self-concepts as workers*, over the course of their working lives since their mandatory retirement. I have therefore defined these findings as *post-mandatory retirement experiences of aging*.

My thematic data coding has also found a major *difference* among the 23 post-mandatory retirement interview participants. The difference rests in the ways in which they became part of the post-mandatory workforce in the country's labor market. As

discussed below, largely reflecting the current structural arrangement in the labor market, the 23 post-mandatory retirement interview participants consist of two main groups:

(1) '*Rehired*' workers ( $n=12$ )

(2) '*Job market returnees*' ( $n=11$ )

As discussed in Chapter Two, as part of the efforts to promote continued employment of older workers beyond age 60, the government has placed employers under pressures to 'rehire' their employees who have reached the mandatory retirement age (age 60). Fundamentally, the 'rehiring' option is fundamentally voluntary – while under strong expectations, the government does not legally mandate that employers unconditionally rehire their employees. Furthermore, the 'rehiring' practice typically involves terminating the employees' long-term employment, re-employing them, and degrading their employment status from 'regular' (fulltime and permanent) to 'non-regular' (part-time and fixed term) (JILPT 2010). Due partly to this substantially inevitable reduction of the employment status, not every employee who is provided with a 'rehiring' opportunity takes up the offer (Yamada and Higo, forthcoming). Thus, in the contemporary labor market in Japan, those who are aged 60 and older and are in the labor force as corporate employees are most likely to have been 'rehired' by their 'lifetime employment' organization or to have returned to the labor market and find employment opportunities outside the institutional arrangement of 'rehiring.'

My data analysis first sought the differences among the 23 post-mandatory interview participants, divided the interview participants into the categories of (1) the 'rehired' workers and (2) 'job market returnees.' Then I sought similarities in the experiences of aging as perceived by each of the two groups of post-mandatory

retirement interview participants. I have identified *one* instance of age discrimination experiences that each of the two groups of post-mandatory retirement interview participants most commonly recalled that they had experienced since their mandatory retirement. For each group, the commonly perceived instance of age discrimination had been experienced in following time period and chronological age:

The Case of the ‘Rehired’ Post-Mandatory Retirement Workers:

Time Period: Between the years of 2002 and 2008

The chronological ages: Between age ages of 60 and 67

The Case of the ‘Job Market Returnee’ Post-Mandatory Retirement Workers:

Time Period: Between the years of 2003 and 2008

The chronological ages: Between age ages of 61 and 68

**Table 16** presents a selected profile of the sample of ‘rehired’ post-mandatory retirement workers ( $n=12$ ), and **Table 17** presents a selected profile of the sample of ‘job market returnee’ post-mandatory retirement workers. In Chapter Six, I detail post-mandatory retirement experiences of aging for these different groups separately.

**[Table 16 goes about here]**

**[Table 17 goes about here]**

In order to assure that the findings from the 23 post-mandatory retirement workers are unique to them (as workers who have once retired from their career jobs but who still remain in the paid labor force in some capacity), I have also conducted data coding and analysis of additional data drawn by the aforementioned *Lived Experiences of Older Workers Study*. When analyzing the life story data drawn from the 23 post-mandatory retirement interview participants, I compared and contrasted the findings with the life

story interview data drawn from eight individuals who identified themselves as retirees. As **Table 18** shows, the chronological age of this category of workers ranged from 61 to 72 with an average age of 65.1 years old. The average number of years they had spent in the labor force was 37.8 years. These eight interview participants were those who spent most of their working lives under, or as part of, the lifetime employment institution in Japan and but then completely withdrew from the labor force after they reached the mandatory retirement age. My data coding and analysis of the two different groups of post-mandatory retirement interview participants assured that the findings presented in Chapter Six had very few similarities to those of the eight self-identified retirees.

**[Table 18 goes about here]**

## **CHAPTER FIVE:**

### **SOCIAL CONSTRUCTION OF OLDER WORKERS IN JAPAN:**

#### **THE EXPERIENCES OF AGING WITHIN THE LIFETIME EMPLOYMENT INSTITUTION**

##### **5.1. Synopsis of CHAPTER FIVE**

How do individuals experience aging over the course of their working lives directly under the lifetime employment institution in Japan? Based on the life story interview data drawn from a sample of 52 lifetime employment workers—including 29 pre-mandatory retirement workers and 23 post-mandatory retirement workers—this chapter discusses the interview participants' experiences of aging directly under the lifetime employment institution, from the time of their entry into the institution through that of the data collection (or, in the case of the post-mandatorily retired, up until the time of their retirement). This timeline corresponds to the period ranging from the early 1950s to the late 2000s, during which the youngest and oldest ages of the interview participants while they were working under the lifetime employment institution were 18 and 59, respectively.

(1) *Experiences of being subjected to age discrimination under the lifetime employment institution:* Most of the participants were constantly subjected to age discrimination from the beginning of their working lives under the lifetime employment institution. The life course analysis of the interview data has found five instances of age discrimination that the participants most commonly experienced in the following order of their chronological age:



1. *Confronting the presence of rigorous age restrictions for hiring* (between 18 and 26)
2. *Perceived intergenerational wage inequalities* (between their early 20s and their early 30s)
3. *Increasing pressure to keep up with 'age-appropriate' organizational roles* (between their early 30s and their early 40s)
4. *Age barriers to continuing to receive workplace-based training opportunities* (between their late 40s and their late 50s)
5. *Being labeled as 'burdens' on their organizations* (between their mid 50s and their late 50s)

The time period between the early 1950s and the late 2000s was roughly parallel to the time during which lifetime employment was thoroughly institutionalized in the history of Japan's labor market. Main structural factors for each of the five instances of age discrimination mentioned above are employers' practices (affirmed by the government) of *setting upper age-limits for hiring* and of *implementing seniority-based wage systems, seniority-based promotion systems, long-term, in-company human capital investment, and mandatory retirement rules*, respectively.

(2) *Changes to the attitudes towards age discrimination experiences*: Despite their emotional resentments, most of the interview participants ultimately justified all the age discrimination instances that they commonly experienced over the course of their working lives (until reaching the mandatory retirement age). Typically, the interview participants rationalized the aforementioned structural factors of their age discrimination experiences fundamentally as equalizers of organizational resources and opportunities across workers

of different generations in the long run, rather than being problematic, negative age discrimination particularly against them.

(3) *Changes to the self-concepts as workers*: Most of the interview participants underwent constant changes to the three dimensions of their self-concepts as workers from one phase to the next phase of their working lives. As they grew older, the interview participants developed positive *self-esteem*, changed their *subjective age* from younger to middle-aged workers, and altered their views of their primary *age-role identities* from the peripheral to the core members of their organizations. As they approached mandatory retirement (at age 60), they had come to view themselves as ‘older workers,’ who were becoming ‘burdens’ on their organizations and thus needed to ‘make way’ for younger generations.

These findings have contributed to uncovering the process through which ‘older workers’ are socially constructed under the lifetime employment institution in Japan. Largely confirming the general premise of the *social construction of ‘older workers’* thesis, the lifetime employment institution in Japan has structured the course of participants’ working lives and tightly guided their transitions over this course. As a set of social structural forces, employers’ age-centric human resource management practices (as affirmed by the government) have played a key role in *age-grading* the participants’ working life transitions in the form of a variety of types of age discrimination.

As the agencies of the institution of lifetime employment, the participants complied with and internalized the *age-grading* structural forces as markers of their age, age norms, and even age sanctions to facilitate their ‘age-appropriate’ transitions over the course of their working lives. As they approached mandatory retirement age, the interview

participants gradually developed their self-concepts as ‘older workers’ and even came to believe that they deserved to be made to retire from their ‘lifetime’ careers for the sake of the well-being of their ‘lifetime employment’ organizations. By believing the presence of mandatory retirement rules at their workplaces was a ‘natural’ and thus ultimately justifiable social reality, they had complied with moving on to ‘retirement’ as mandated by their employers.

## **5.2. Inclusion and Exclusion: Entering into Lifetime Employment**

### 5.2.1. Structural contexts: The growth of the national economy and the solidification of lifetime employment

This section discusses the experiences of aging as perceived by the interview participants in the first phase of the course of their working lives under the lifetime employment institution in Japan. This particular phase encompasses the times around which the interview participants were hired by the organizations within which they have spent most of their working lives, namely, the time when they entered the lifetime employment institution.

The time period during which the interview participants experienced this particular phase of their working lives traced back from the late 1950s to the mid 1970s. The chronological ages of the interview participants at time of entry into the lifetime employment institution ranged from 18 to 26. During this time period, two major structural factors surrounded the interview participants’ working lives and shaped their

experiences of aging. Historically, these two structural factors together facilitated the solidification of lifetime employment in the labor market of post-war Japan.

The first structural factor was the condition of the national economy. As discussed earlier, from roughly the end of the 1950s to the mid 1970s, Japan's national economy experienced a historic 'high-growth' period. During this period of time, Japan's GDP grew by an annual average of 10 percent. From 1973 to 1976, the 'Oil Crisis' hit Japan's economy as well as that of many other industrialized countries. Nevertheless, compared to that of many other countries, Japan's national economy continued to grow and increased in competitiveness on the world scene. During this period of time, Japan's labor market experienced a chronic workforce shortage. Employers in Japan, particularly those who rapidly expanded their businesses, competed with one another to secure stable workforces.

The second structural factor was the institutionalization of *age barriers to employment* in the labor market. From roughly the early 1960s to the end of the 1970s, most employers in Japan began conducting *periodic hiring of new school graduates*. This was the case particularly when public (and semi-public) sector employers and large private employers recruited their core workforces: regular employees. With this particular practice, employers recruited core workforces for their organizations almost exclusively by hiring new school graduates, rather than hiring experienced workers. In this context, employers also hired a number of new graduates all at once, typically in early April every year, rather than hiring year-round. Affirmed by public policy, most employers, formally or informally, set *upper age limits for hiring* in institutionalizing this workforce recruitment method.

In this section I present findings from life story interview data of the interview participants' recollections of their experiences of aging under these two structural contexts. This section is organized as follows: In the sub-section 5.2.2., I discuss my findings of the interview participants' experiences of being subjected to age discrimination. In the sub-section 5.2.3., I discuss the participants' attitudes towards these age discrimination experiences. In the sub-section 5.2.4., I discuss the participants' self-concepts as workers. Finally, in the sub-section 5.2.5., I summarize the findings of the interview participants' experiences of aging in this particular phase of the course of their working lives directly under the lifetime employment institution in Japan.

#### 5.2.2. Age discrimination experiences: Contending with upper age limits for hiring during job interviews

Most interview participants recalled that, over the course of their working lives, their first experiences of being subject to age discrimination occurred during the process of entering the lifetime employment institution. 49 out of the 52 interview participants recalled that they felt that they were subjected to age discrimination during the job interview process when they sought to participate in the labor force as 'ordinary workers,' namely regular employees. The job interview process made the interview participants conscious about their age; during the process the interview participants were first exposed to the ways in which age was used to divide those who are included in and excluded from the lifetime employment institution.

What follows are the experiences commonly recollected by 49 of the 52 interview participants about their job interview process. The interview participants directly or indirectly confronted the presence of age barriers to employment in the organizations that invited them to job interviews. Prior to having the job interviews with their prospective employers, it was a matter of common sense among the interview participants that there were age limits for hiring in the paid labor market. Prospective employers sought 'young' entrants to their workforces who fell into certain age categories, to be described shortly. This was particularly the case when people were seeking 'ordinary' jobs or careers, namely, to become regular employees in those organizations that were likely to provide them with 'lifetime' employment security.

When seeking employment opportunities, typically the interview participants saw prospective employers' announcements of upper age limits for hiring in company brochures and job opening advertisements posted in national and local newspapers. In these materials, employers also announced other minimum requirements for job seekers, including educational attainment (e.g., 4-year college graduates). Nonetheless, from the interview participants' perspective, upper age limits were the most fundamental requirement that prospective employers expected job applicants to meet. Generally, the upper age limits that employers published in such materials were somewhat vague; for instance, for those who had (or, were expected to soon complete) 4-year college educations, the age limits were often announced to be 'up to the late 20s.' Employers often used the expression of 'up to the early 20s' for those who only had (or were expected to soon complete) high school education.

During the process of job interviews, however, the interview participants confronted the presence of age limits for hiring which were actually clearer and even lower than what their prospective employers had announced in public.

Indeed, 12 out of the 49 interview participants recalled that, before they were employed by their 'lifetime' employers, they experienced refusal of employment by other prospective employers because of their chronological age. In job interviews, company interviewers often mandated that an interviewee report to them both their year of birth and chronological age in addition to other basic information such as educational background and reasons for seeking to join their organization. Prior to being employed by their 'lifetime employers,' these 12 interview participants had spent a few years after the completion of their schooling in paid jobs or volunteer activities, or helping with family business. The 12 interview participants commonly experienced that they were strongly encouraged to seek jobs at other organizations in which they might fit better considering how old they were at that time.

The other 37 out of the 49 interview participants had never been refused employment because of their age at the beginning of the course of their working lives. However, they commonly recalled that the experiences of undergoing their job interviews certainly marked their age, which made them conscious about how old they were and about the implications of their age on their future working lives. They recalled that their dialogues with the company interviewers led them to uncover the presence of rigorous age barriers that could have blocked them from being employed if they were just a few years older than their actual ages at that time. The interview participants did not consider these experiences as age discrimination directly against them. Nonetheless, they felt that

they were certainly subject to potential age discrimination that could have considerably changed, if not damaged, the entire course of their working lives.

What follows are extractions of data drawn from *Takayama*, one of the interview participants. At the time of the data collection, Takayama was 56 years old and had been employed for 32 years at a large private company in the transportation industry with a total of 7,500 employees. When he was employed, the company was one of the most rapidly growing companies providing land transportation services including commuter and tourist railway services in the Kanto region of Japan, which includes the Tokyo area. Over roughly the last three decades, this company had grown to become one of the largest transportation companies in the country. The number of employees had grown from about 1,200 in the mid 1970s to some 7,500 in 2008. By the time of the data collection, Takayama had served as Head Manager of the accounting department of the company for nearly 5 years.

Takayama was one of the 37 interview participants who reported that he had never experienced being refused employment because of their chronological age. However, his experiences are illustrative of the experiences of confronting the presence of potential age barriers to employment during the job interview process with the company through which a young job applicant ends up gaining entry to the lifetime employment institution. Takayama recalled:

**Extract #1.**

***Takayama:*** ...I was 24 years old when I had the initial interview and had already turned 25 when I finally underwent the final [second] interview at this [same] company. Each interview began with my introduction of my full name, year of birth, and the name of the college I graduated from. Then I needed to make some



statements as to why I was interested in this company... The first interview was done with, say, three or four interviewers, and the second one was with about twelve, or it could be more, including the C.E.O. and the head of the HR department of the company back at that time...

**Interviewer:** And, why did you say that those interviews, particularly the second one, made you self-conscious about your age? And, why is it that you even felt you were subjected to age discrimination especially during the second interview, despite the fact that you ended up being successfully hired?

**Takayama:** I remembered in both interviews most interviewers insistently asked me why I was not 22 or 23, which would be how old you are if you are a typical new college graduate. Well, the point was that they were just asking me to explain what happened, or, what I was doing during the blank period [between school graduation and the job interviews]. It was clear in my resume that I had no prior real employment experience except for some small, part-time jobs that I took up every once in a while during my school years. So, they really needed to know why I was a bit older [than their expected ages].

**Interviewer:** Is that how the interviewers actually asked you, like ‘why?’

**Takayama:** Not really. They were like ‘well, you know, you are an older man, aren’t you. Could you tell us why you are so old?’

**Interviewer:** Did you spend the blank years to help your parents’ business back in your home town?

**Takayama:** No. My college graduation was delayed just a few years because I was quite deeply involved in some volunteer community activities in the Tokyo area... So, I was really fresh out of college when I had the interviews... Overall, the interviewers in my second interview were happy about my past [laugh]. But, they also told me, quite insistently, that they were okay with how old I was at that time, but that I was just young enough to fit in [the company]... Barely young enough to fit in.

**Interviewer:** Your interviewers sort of implied that they wouldn’t have hired you if you were over 25 or something...

**Takayama:** Exactly. Well, they didn’t say you’ve got to be either 22 or 23 years old. But, it was clear to me that this would be the first and last chance for me to be included in the organization if I intended to be a real member of the organization [a regular employee]. You know, some college graduates do some ‘trial’ stuff – they jump from one employer to another for the first few years after they get out of school just to explore the world and see if they would feel comfortable with various companies’ cultures. A company like ours doesn’t like that... During the second interview, two of the interviewers told me two separate but very similar

episodes about some job seekers whom they interviewed some years ago. Those job seekers were just slightly older than I was, partly because they spent a few years after graduation to do this sort of ‘trial’ stuff. The interviewers told me that the job seekers graduated from much more prestigious colleges than mine, but the company decided not to hire them.

**Interviewer:** What did these episodes made you feel?

**Takayama:** Personally, I completely understand why some people do the ‘trial’ work – they just want to have some first-hand experience with being part of the corporate world just to see what it might look like to be a ‘salary-man,’ so to speak. But, simultaneously, our ‘age’ is definitely important for a company like ours. While those job seekers were excluded despite the fancy college names on their resumes, I was brought into my company just because of my age. I felt quite lucky to be included, because this was one of the few companies where my parents would be very happy to see me employed should I choose not to succeed the family business. I have no idea what kind of career I might have developed if I were not hired here...

(Data obtained on September 11, 2008)

### 5.2.3. Attitudes towards upper age limits for hiring: A necessary organizer of social interaction

As discussed above, 49 out of the 52 interview participants recalled that they were subjected to (potential) age discrimination during their job interview processes. The interview participants confronted employers’ use of rigorous upper age limits for hiring, which were a powerful determinant of the inclusion or exclusion of job seekers in the institution of lifetime employment. Most of the 49 interview participants considered that the presence of age barriers, particularly upper age limits for hiring, were certainly age-based discriminatory practices. Nonetheless, they recalled that they considered these age-based discriminatory practices to be justifiable in essence.

Including all of the 12 interview participants who had experienced being refused employment because of their ages, a total of 47 interview participants used the expression ‘it’s just the way it is’ in recalling their attitudes towards employers’ use of upper age limits in the recruitment process. 45 of these interview participants further elaborated their attitudes toward this particular age-based discriminatory practice. From their point of view, setting upper age limits for hiring was necessary not only to employers but also to employees. This is the case because the presence of age barriers in the hiring process helps to appropriately organize human relationships and interactions within the organizations.

Below I present extractions of data drawn from Yamada, who, at the time of the data collection, was 53 years old and worked for a large private organization with a total of 7,400 employees in the healthcare/welfare industrial sector. Yamada had been employed at a general hospital located in a suburb of Tokyo for 27 years as an office clerk in charge of a variety of administrative tasks. When he joined the organization in the mid 1970s, the hospital employed a total of about 1,200 employees including medical doctors, other healthcare professionals, and manual service providers. Since the mid 1980s, the hospital had merged with two other medium-sized hospitals in the same area to become one of the largest medical facilities in the entire Tokyo area.

*Yamada* was already 26 when he had a job interview with the hospital, and he was formally employed at the hospital a few days after the interview. However, similar to Takayama’s experiences, Yamada perceived that some of the interviewers he met were reluctant to hire him as a regular employee. According to his recollection, this was the case mainly because of his age at the time of the job interview, and the interviewers of

the hospital were concerned that he would bring about some subtle and yet long-term conflicts with other workers at the organization because of his ‘already advanced’ age. Yamada, however, recalled that he considered the interviewers’ concern fully legitimate. He also recalled that he viewed the use of upper age limits for hiring to be necessary for everyone in society, including employers and workers. According to Yamada:

**Extract #2:**

***Yamada:*** ...it [setting upper age limits for hiring] is absolutely an age discrimination practice in the sense that it simultaneously discriminates for some job seekers and against others based on their age. There is nothing we can do about it [being young or old]. But, it’s just the way it is...I mean, more or less that’s how things are allocated, managed, and controlled in pretty much all areas of social life. We just need some objective criteria with which to divide and unite people...

***Interviewer:*** You mean, it is just necessary for people on the management side to use age to decide who to employ and who not to employ...

***Yamada:*** Well, in the long run, it just works for both [employers and employees]. Usually, employers expect that it will take at least three or four years for newly employed workers to be really reliable workers, or really functional members, of their organizations. There is much to learn, especially in this kind of world [healthcare/welfare industry] before you become a full-fledged, knowledgeable, and reliable member. If you were already in your 30s when entering this sort of world, it would be too late to start the learning process.

***Interviewer:*** So, for the kind of job you do, employers would prefer hiring someone around the age that you were then and preparing that person to be a reliable, trained, and self-directed employee by age 30 or so?

***Yamada:*** At latest by age 30, yes, exactly...

***Interviewer:*** And, why did you think that setting upper age limits for hiring was important for workers, too? Isn’t this just discriminatory against them?

***Yamada:*** Well, think about yourself in a situation like this... you would definitely feel uncomfortable starting to work here [the hospital] if you were already in your late 20s... There are many workers here who are in their late 20s and have been employed for some substantial years. Most of them have already gone through their initial training period and now they are real members of this organization.

You'd have to relate yourself to those workers as your seniors or upperclassmen, despite the fact that you are the same age as they are. Furthermore, you would have to comply with and maintain this superior-inferior relationship with them for the rest of your career [within this organization]. It would be quite odd and uncomfortable for those workers, too, you know.

**Interviewer:** Would this sort of situation be really stressful for everyone at your organization?

**Yamada:** It's not that people would do anything to avoid creating a situation like this, but this would definitely be something that people would prefer not to go through for an extended period of time... So, you see, 'age' is important here... We don't talk about it very often, but the bottom line is that you start developing your career here at a certain [young] age so that you can undergo the same career development process with your age cohort. Co-workers who are [chronologically] older than you have already held higher positions, and newcomers who join the organization after us are [chronologically] younger than you are. In this way, age definitely helps organize daily interactions at the workplace and provides frameworks for human relationships with people of other generations over the course of your career.

(Data obtained on September 8, 2008)

#### 5.2.4. Self-concepts as workers: Becoming like a school freshman again

Individuals' views of themselves – *self-concepts* – often reflect the influences of surrounding institutions that shape and alter the individuals' perceptions and behaviors. In narrating the ways in which interview participants viewed themselves as workers in this phase of their working lives, most of them recalled that they were very similar to school freshmen, who had just entered new institutional settings. Similar to school freshmen, the interview participants were already familiar with some basic structures of the institutional settings surrounding their working lives, but they had very little

knowledge as to how to be smoothly integrated into the existing culture and mechanisms underlying their particular workplaces.

Most interview participants had very low *self-esteem as workers* in this phase of their working lives. 50 out of the 52 interview participants recalled that they saw themselves as not valuable at all as members of their organizations. They felt that they were just positioned to undergo training and education that would help them to be productive and valuable for their co-workers and employers. Just like freshmen who have just enrolled in high school, they first needed to learn the unwritten rules, implicit dynamics, and invisible structures of their organizations that governed their businesses and human relationships.

48 out of the 52 interview participants recalled that they experienced very quick adjustments to their *subjective age* during this phase of their working lives. During the job interview processes, they felt that they were no longer very young as job seekers; they were just young enough to be included in their organizations if they were to stay with the organizations long-term as regular employees. However, once they were hired and began working for their organizations, they quickly switched to viewing themselves as very young members of their organizations. The interview participants recalled that such experiences of quick changes in their subjective age were, more or less, similar to those when their statuses changed from seniors in high school to freshmen in college.

As for their *age role identity*, 49 out of the 52 interview participants recalled that they considered their primary role in this phase of their working lives to be ‘apprentices’ or ‘protégé’ in their organizations. While formally employed as waged or salaried workers, they felt that their primary responsibilities in this career stage were to learn

basic skills and to initiate the expansion of their social networks within their organizations. Performing these responsibilities associated with their roles as apprentices or protégé over the next few years was a necessary step for them to be prepared for growing as productive members of their organizations in the future.

*Uchida* was a 63 year-old, post-mandatory retirement worker employed at a medium-sized bank as a part-time security guard at the time of the data collection. Up until his mandatory retirement at age 60, Uchida had been employed for over 34 years at a large organization with a total of about 6,000 employees. As a private business corporation, this organization sold a variety of insurance plans all over the country, including life, health, and (private) retirement plans. First established in the early 1960s, this organization had grown in business and number of employees throughout Uchida's career within the organization. Below I present extractions of data drawn from Uchida with respect to his recollection of his self-concept as a worker when he was just employed at the insurance company. These extracted data represent most interview participants' recollections of their self-esteem, subjective ages, and age role identities at the beginning of the course of their working lives under the lifetime employment institution:

**Extract #3.**

***Uchida:*** When I was just employed and started working at the [insurance] company, I didn't think of myself as an employed person – a person who is salaried and thus expected to make contributions to my employer. I was basically an 'apprentice' of the company... That's just what I was, and that's how the company defined what I was...

***Interviewer:*** Could you tell me exactly what you did as an apprentice of the company? What were you expected to do?

**Uchida:** Well, first, I needed to learn to be part of the sales force of the company – learning how to sell the company products [a variety of insurance plans] first to individual customers and then to corporate ones. Of course I was not the only one; many newcomers to the company had to start their careers in this specific section...So, I was assigned to join one of the sales divisions and to shadow my seniors and line managers all day long to learn how things were done in the division. I often traveled all over the country to accompany my seniors.

**Interviewer:** Do you remember how long this shadowing task lasted?

**Uchida:** Well, typically we worked as a team, so it's hard to say how long I shadowed my team and when I became independent within the team. But, I would say, I was really like an apprentice or a protégé on my team for at least my first three years in the sales division...I think I worked hard and I was a good apprentice. But, as far as my value as an employee of the company during my 'apprentice' years was concerned, I didn't make any contribution to the company's business performance. Rather, I was provided very generous opportunities to learn directly from those who had long-term, first-hand experience selling our products both to individuals and corporations.

**Interviewer:** Did those experiences make you feel like you were very young, or even premature, as a worker? Did you see yourself as though you were still a child in need of constant supervision and guidance to survive within the company?

**Uchida:** Yes. And, that's pretty much how we used to feel when we grew older during our school years, isn't it?

**Interviewer:** What do you mean? Could you elaborate on that?

**Uchida:** I mean, for example, when we were in the oldest grade in high school, we felt like we were mature, because everyday we were always surrounded by younger folks [those of younger grades] besides our teachers. In a school setting, it was somewhat of a flattering experience to be an upperclassman, a big-bro, or an older man, wasn't it [laugh]? But, we realized that it was not necessarily good to be 'old,' when we were in the job market, especially if we were to live an ordinary working life.

**Interviewer:** You mean, if we were to be included into a company like this [the insurance company] and to keep staying here until retirement...

**Uchida:** Right. We had to be 'young enough' to join the company, because that's what we were expected to be. And, yes, I did feel like I was very young when I started working for the company. I felt like I had gone back to the first year of high school and was repeating my school life as a freshman. I felt like I was



surrounded by big brothers and teachers whom I was supposed to look up to and from whom I was supposed try to learn how to survive in this world.

(Data obtained on September 12, 2008)

### **5.3. Social Integration: Socialization into Lifetime Employment**

#### 5.3.1. Structural contexts: Thorough institutionalization of lifetime employment against the backdrop of the ‘Oil Crisis’

This section discusses the experiences of aging as perceived by the interview participants in the second phase of the course of their working lives under the lifetime employment institution. This particular phase is characterized by the interview participants’ socialization into the lifetime employment institution. In general, socialization refers to a process through which individuals acquire knowledge and skills necessary for participating in their groups. The socialization process entails individuals’ inheriting values and norms of the groups or institutions of which they are part (Mead 1934).

In this context, the interview participants were substantially integrated into their workplaces and organizations under the lifetime employment institution. The time period within which the interview participants experienced this particular phase of their working lives traced back to roughly from the early 1970s to the early 1980s. The chronological ages of the interview participants during this period of time ranged from early 20s to early 30s.

Based on the interview participants' recollections, their experiences of aging in this 'socialization' phase of their working lives were shaped by at least the following two structural factors. The first structural factor is a macroeconomic downturn that Japan faced during the 1970s: The 'Oil Crisis' and its aftermath. The second factor is the *seniority-based compensation system*, which by this time period had been thoroughly institutionalized in most workplaces across the country.

As discussed in Chapter Two, the 'Oil Crisis' and its aftermath were a major set of events in Japan's post-war economic history. Both the first (1973) and second (1979) waves of 'Oil Shocks' posited the first serious challenges to the lifetime employment institution in Japan since the institution's solidification during the economic 'high-growth' period of the 1960s and the early 1970s. During the early 1970s, prior to the first 'Oil Shock,' Japan's average annual GDP growth rate was about 10 percent, which is similar to that of today's rapidly growing economies of China and India. Between 1975 and 1980, Japan's GDP growth averaged only about 4.7 percent, and it further fell to 3.7 percent between 1980 and 1985.

Rather than weakening or dismantling the institution of lifetime employment, however, the 'Oil Crisis' and its aftermath facilitated its thorough institutionalization nationwide. The economic recession generated public concern about job security particularly among public sector and large and medium-sized private sector workplaces. In response to the growing public concern, the national government aggressively intervened in the labor market and pressured employers to protect workers' job security. One major effect of this government intervention was the institutionalization of employers' use of their keiretsu networks – employers' vertical and horizontal business

networks connected mainly through their mutual ties to a particular bank. Employers began widely utilizing their keiretsu networks during the 1970s to transfer employees, thereby avoiding layoffs of redundant workers and continuing to protect their employment security until mandatory retirement.

This macroeconomic event of the ‘Oil Crisis’ and its aftermath also generated the second structural factor shaping the interview participants’ experiences of aging in this phase of their working lives, namely, the institutionalization of employers’ reliance on a *seniority-based compensation system*. As discussed in detail in Chapter Two, this system placed a priority on workers’ tenure – the number of years of service with the same employer – in determining base wages or salaries. During the 1970s, most employers in Japan were facing an unprecedented pressure to downsize their workforce in order to survive the economic downturn. Simultaneously, employers during this time period faced a necessity to retain the talent of individuals who were already employed and trained. The solution was for employers to provide financial incentives for their experienced employees to stay with them over an extended period of time.

In general, the concept of ‘seniority’ refers to the idea that senior persons within a group or organization – based on experience or length of service – are granted greater opportunities than others to access resources. Most employers in Japan during this time period strengthened their reliance on workers’ seniority to determine their wages or salaries. While downsizing their workforces by reducing the number of new recruits, most employers across industrial sectors and organizational sizes (except for small organizations) began fully institutionalizing the use of the seniority-based compensation system. Thus, the longer workers stayed with their employers, the higher their

compensation became. The ‘Oil Crisis’ and its aftermath, by pressuring employers to retain experienced workers while downsizing their workforces through hiring freezes, substantially facilitated employers’ use of seniority-based wages or salaries. This in turn contributed to the thorough institutionalization of the practices characteristic to lifetime employment in Japan’s labor market.

This section presents findings from the life story interview data of the interview participants’ recollections of their experiences of aging under these two structural contexts: The ‘Oil Crisis’ and its aftermath and the institutionalization of the seniority-based compensation system. This section is organized as follows: In the sub-section 6.3.2., I discuss my findings of the interview participants’ experiences of being subjected to age discrimination during that time. In the sub-section 6.3.3., I discuss the participants’ attitudes towards these age discrimination experiences. In the sub-section 6.3.4., I discuss the participants’ self-concepts as workers.

#### 5.3.2. Age discrimination experiences: Generational wage inequalities

In this ‘socialization’ phase of their working lives, at least three years had passed since all 52 interview participants had joined their ‘lifetime employment’ organizations. Most of the interview participants commonly recalled that, during this phase of their working lives, they were subjected to age discrimination in their financial compensation. In this context, financial compensation includes base salaries and annual bonuses.

What follows are the experiences commonly recollected by 47 of the 52 interview participants about their perceived age discrimination experiences related to financial

compensation. The interview participants experienced that, as newcomers to their organizations, they were pressured to work much harder and longer hours than their seniors including their upperclassmen and supervisors. The era of the ‘Oil Crisis’ generated a consensus in most of their individual workplaces and organizations that workers were responsible for increasing their organizations’ productivity and competitiveness, which should be accomplished by working a lot of extra hours. Due to the norm of ‘seniority’ underlying human relationships in most workplaces, younger workers were under pressure to make greater contributions to their organizations than their seniors.

What follows are extractions of life story interview data obtained from *Kishida*, one of the 52 interview participants. At the time of the data collection, Kishida was aged 58 and had been working for a medium-sized, private manufacturing company for 35 years, now serving as a division manager. His employer manufactured and sold micro-electronic consumer products including cameras. Established well before the war time, the organization grew rapidly in size and business during the country’s ‘high growth’ era in the 1960s and 1970s. During the 1980s, this organization employed more than 12,000 workers in Japan and other East Asian countries. Since the early 1990s, the organization had downsized the workforce to about 4,000.

Kishida’s life story in this particular phase of his working life is illustrative of the 47 interview participants’ experiences of aging during their socialization process into the world of *seniority*, which was the principle logic underlying not only the compensation systems but also the human relationships within the organizations. The interview participants commonly experienced the seniority-based compensation system adopted by

their organizations as a source of generational wage inequality between younger workers and their seniors, including their immediate supervisors, managers, and other superiors. In this ‘socialization’ phase of his working life, Kishida was a member of the domestic sales division of the company. The division consisted of about 25 team members who were in their mid to late 20s, including Kishida himself. In recalling his age discrimination experience in this phase of his working life, Kishida stated:

**Extract #4:**

***Kishida:*** ...It [the ‘Oil Crisis’ and the aftermath] gave us a very hard time. We [the overseas sale division] all had to work very hard for long hours... Throughout the second half of the 1970s it was very common that our team worked at least 85 or even 90 hours a week. Literally, we often stayed at our office building overnight to save the time it took to go home and come back to the office next day. We always kept some small mattresses and blankets at our conference room for this purpose. I think this was sort of a national trend back in that time...many people in different companies and industries had, more or less, similar experiences to ours around that time.

***Interviewer:*** ...And, to your frustration, you think that you didn’t get paid well enough to compensate such hard work and harsh circumstances...

***Kishida:*** Yes, of course, that’s what I thought... Compared to our seniors and superiors, yes, we were treated absolutely unfairly. I am very sure that every single member of our company faced great pressure – probably, the greatest pressure ever – to maximize our organization’s productivity regardless of his or her role in the organization. Well, what other choice did we really have but to increase our working hours? We all might as well work harder and longer than ever rather than quitting the company or letting our company fail... But, we [Kishida’s team members] were the ones that sacrificed ourselves most for the sake of supporting our company. Truly, during that time period there was no such thing as weekends, holidays, or ‘after-five-outings,’ for us. Our seniors, including our head [Chief Manager of the overseas sale division], didn’t work that hard. They were all older folks, our upperclassmen, you know...

***Interviewer:*** It sounds like they [Kishida’s seniors] took it for granted that younger folks like your team members were obligated to sacrifice more...

***Kishida:*** Of course. That was the norm. Seniority, you know... Back then most of our team members were in their mid to late 20s, and most of our seniors were

already in their 40s or 50s. Our seniors were [chronologically] way older than we were, and it meant that they had served our company longer than we had. One way or another, when they were younger they also went through hard times like that for the sake of our company. So, it was their turn to step back and let their younger folks – our team – do what they had already done. This is the logic of seniority, you know.

**Interviewer:** I assume that despite the lesser amount of work your seniors earned much more than you did. True?

**Kishida:** Yes, absolutely, and again that's seniority. Our company was generally known around that time as a 'well-paying company' relative to other companies in the same business. But, still, I felt that I was paid unfairly...so much less than most of our seniors.

**Interviewer:** And, so much less than what you thought you deserved...

**Kishida:** True. I remember that my annual salary was no more than 2,000,000Yen [about \$20,000] when I was about 27 or 28 [1978 or 1979]. I knew our team leader's salary was double [laugh], at least. Considering how little our annual bonuses were, his total annual earnings [including annual bonuses] might have been as much as three times what ours were.

**Interviewer:** Did you really find this [wage/salary system] unfair or discriminatory?

**Kishida:** Sure. It was clearly age discrimination, so to speak. What else could it be [laugh]? They [the seniors] were definitely privileged just because of the seniority system, just because they were seniors.

**Interviewer:** That must be true. But, they [the superiors] must have also served the company longer than you had at that time. Right?

**Kishida:** Well, that's true. But, hey, imagine yourself as part of our team back at that time. You'd have to work so hard everyday that you'd even feel pressure to save the time it takes to commute between your worksite and your residence. You'd be traveling all over the country to promote new cameras. No weekends, no holidays. And, you'd see your supervisors, who might not even have gotten a college degree as you had, staying in a comfortable office just six days a week and leaving the office around six or seven o'clock for family time. And, they'd get paid more than double what you were earning. Wouldn't you call it age discrimination?

(Data obtained on September 16, 2008)

### 5.3.3. Attitudes towards wage inequalities: Seniority as the great equalizer across generations

As discussed above, 47 out of the 52 interview participants recalled that they experienced generational wage inequality due to the seniority-based compensation system institutionalized at their organizations. Most of these – 46 out of the 47 interview participants – clearly recalled their attitudes towards this particular age discrimination experience.

To these interview participants, the generational wage inequality that they experienced was, at the time, a form of negative age discrimination: age discrimination working against the interview participants' own benefit. Nonetheless, simultaneously, they recalled that they viewed the use of seniority in determining financial compensations essentially as the great equalizer of wages across employees of different age groups at their organizations. Overall, in the 'socialization' phase of their working lives, the interview participants justified this particular age discrimination.

The interview participant's justification of this age discrimination experience was based mainly on their view of the implication of seniority in determining financial compensation over the course of their working lives within their 'lifetime employment' organizations. The interview participants observed, directly or indirectly, that their seniors benefited from the seniority-based compensation system. Largely independent of their job content and actual contributions to their organizations, senior workers were paid



better than the interview participants at this particular phase of their working lives due mainly to their longer tenures.

Nonetheless, one of the main functions of the seniority-based compensation system was to equalize the overall earnings of employees within their organizations over the course of their working lives. The rationale was that, regardless of one's will, everyone inevitably and equally ages. Each generation of employees began with lower compensation than their seniors were currently receiving, and yet they experienced the same steady increases in salary, annual bonuses, and other financial compensation as they grew older within the organizations. As they grew older, all employees were paid higher financial compensation unless they left their organization in the middle of their careers. Thus, the interview participants commonly recalled that, overall, they considered the use of seniority in determining wages to be a great equalizer of wages across generations in the long run, rather than being a problematic, negative age discrimination particularly against them.

Below I present extractions of data drawn from *Suzuki*, who, at the time of the data collection, was 57 years old and had been a public sector employee for 26 years. With a post-graduate degree, Suzuki served as a faculty professor at a prefecture-funded 4-year college in the Tokyo area. Originally established as a professional school specializing in jurisprudence in the early 1930s, the college had gradually grown in numbers of employees including faculty and staff. At the time of the data collection, the school employed about 800 fulltime employees including those at the college's satellite campuses outside the Tokyo area.

Suzuki was in his early 30s when he perceived that he experienced generational wage inequality as a young faculty member at the college. The college had already developed and implemented a rigidly seniority-based compensation system for its employees well before Suzuki was employed at the school. Suzuki observed that, despite his educational attainment, for at least the first five years of his employment at the college his salary was even lower than that of most administrative staff who did not have post-graduate degrees. Due mainly to their seniority – having served the college just a few years longer than Suzuki – they had already experienced wage increases along with their tenure. Suzuki also recalled that some senior faculty were paid nearly twice his annual salary despite their substantial inactivity in contributing to their academic fields and to administrative affairs in their programs. As a young faculty member who was enthusiastic about making contributions to his field and to the college, Suzuki found this discrepancy in pay to be age-based discrimination.

Suzuki recalled that at the time he certainly felt a bit of resentment toward these age discrimination experiences related to his wages. However, despite his emotional reaction, he found this blatant use of seniority in determining salary at his college to be essentially rational and thus justifiable. In recalling the time when he was a young faculty member in his early 30s in the department of economics at his college, Suzuki noted:

**Extract #5:**

***Suzuki:*** ...I remember that I was very open about the salary issues at this college because I was quite interested in issues on labor relations in general. At work and away from work, I often brought up the issue of the unreasonably wide gap in salary and annual bonuses between us [Suzuki and his age-cohorts] and our seniors. I wasn't very aggressively criticizing it...I just often vented my complaints about our low salary and ridiculed the whole situation and everyone who, consciously or unconsciously, affirmed that situation. When going out for a

drink with colleagues, I half jokingly begged my seniors to treat me, saying something like: ‘you know, I am not paid enough even to buy this drink!’

**Interviewer:** How did your seniors respond to you?

**Suzuki:** They didn’t take it seriously or personally, either. Well, it was a joke, the kind of joke whereby you try to convey to others your genuine circumstances but not actually seek serious solutions from them... Pretty much all of my seniors rather enjoyed my joke. That was my favorite and routine joke. My seniors often responded to me, saying: ‘I hear you. That [being paid lower than seniors] is exactly what we went through when we were in your life stage. I know how you feel.’

**Interviewer:** Perhaps your seniors were saying what they used to hear from their own seniors when they were your age.

**Suzuki:** Yes. And, they didn’t forget to tell me that there was a solution for this misery. I mean, for my suffering from my lower salary.

**Interviewer:** What was the ‘solution’?

**Suzuki:** The solution was...just look at them [the seniors]. Just be like them. I mean, if you just wait, pass the years, and grow older in our department, you eventually get what they [the seniors] are getting. And then, it would be my turn to listen to future, younger faculty moaning about getting paid so much less than what I do.

**Interviewer:** You mean, to become like them [the seniors] meant that you should just grow old, stay at your college, hang in there, and eventually get a similar role or position to what they had in your department...

**Suzuki:** Sure. That’s seniority. That’s how it works. Well, at first glance, it [seniority-based compensation system] works against you when you are young. So, yes, the seniority-based compensation rules are definitely discrimination based on [chronological] age. But, it will certainly pay you back later in your career. That’s for sure. In the long run, it [seniority] is fundamentally a great equalizer of wages among your generation and other generations...

(Data obtained on September 9, 2008)

#### 5.3.4. Self-concepts as workers: Younger workers as the ‘frontline troops’

In recalling the ways in which they viewed themselves as workers in this ‘socialization’ phase of their working lives, most interview participants had moderately positive self-esteem as workers in their organizations. 50 out of the 52 interview participants recalled that they saw themselves as sufficiently valuable members of their organizations. Since entering their organizations, they had already spent at least three years undergoing in-company human capital development including firm-specific skills and knowledge development. The process of the in-company human capital development included accumulation of the interview participants’ social capital; they had begun expanding their social networks within their organizations and their organizations’ *keiretsu* networks.

Generally, the interview participants’ *self-concept* during this particular phase of their working lives was that of valuable workers. The 50 interview participants recalled that their training and socialization experiences helped them to develop their self-concept as functional and thus legitimate members of their organizations. Once having viewed themselves as apprentices in their organizations, by this phase of their working lives, the interview participants perceived that they had begun to make substantial contributions to their organizations’ mission or business.

Recalling their subjective age in this phase, all 52 of the interview participants noted that they felt young as members of their organizations. The interview participants commonly recalled that their work environment inevitably made them feel young; surrounded by senior co-workers, line managers, and supervisors, who were all chronologically older, the interview participants developed their *subjective age* as younger workforce members relative to most other employees of their organizations.

Recalling their age role-identity, 49 out of 52 interview participants commonly used the expression ‘frontline troops’ or ‘barrier troops’ to describe the ways in which they viewed their primary role in their organizations. Frontline troops refer generally to lower ranked troops belonging to a larger body of an armed force, whose primary role is to sacrifice themselves on behalf of the larger body by directly confronting their enemies. Using this analogy, the interview participants described that because of their status as ‘younger members,’ they were expected to undertake the most challenging tasks for the sake of their organizations’ survival, while receiving lower financial compensation in order to prove their respect and loyalty to their ‘lifetime employers.’

Below I present extractions of data drawn from *Kuroda*, one of the interview participants, with respect to his recollection of his self-concept as a worker in the second phase of the course of his working life. At the time of the data collection, Kuroda was 58 years old and worked as a fulltime construction equipment operator for a large private organization. He had served this organization for 29 years. Since its establishment in the late 1950s, the organization had constructed a variety of residential houses, office buildings, and public facilities including public schools and libraries. While primarily in the construction industry, the business of this organization included manufacturing and selling construction and house-cleaning equipment. The organization he worked for had a number of branches, closely affiliated companies, and subsidiaries all over the country. In total, about 80,000 workers were employed by this organization nationwide. The extracted interview data of Kuroda represent most interview participants’ recollections of their self-esteem, subjective ages, and age role identities at the beginning of the course of their working lives under the lifetime employment institution.

### **Extract #6.**

**Kuroda:** ...I was in my early 30s around that time...My team was responsible for learning very quickly how to safely operate newly invented machines and equipment and for travelling around the county when appropriate operators were needed. Around this time, our company produced a number of different kinds of gas-powered power lifters designed particularly for being used in indoor factory settings...We were all very busy back then. Our company constantly put us under pressure to get our projects done as soon as possible and then move from here [the Tokyo area] to the next site in, say, Aomori City [a northern city in Japan].

**Interviewer:** Because your entire organization was under pressure to be more productive than ever, due to the economy [the 'Oil Crisis' and the aftermath']?

**Kuroda:** I think so...Even in a situation like that, most companies couldn't quite downsize their workforce once they had hired people, you know. So, in order to survive, companies first froze the recruiting of new workers from school, and then they maximized productivity by the increasing work hours of those who were already inside, you know...

**Interviewer:** Are you saying that in a situation like that a worker like you was strongly expected to work longer and harder than other, older employees?

**Kuroda:** Not just me, but pretty much all young folks were targeted. Well, who else could have worked that hard and supported the elders and the company? You just couldn't ask your boss who was in his 50s to travel all around the country year-round and work day and night.

**Interviewer:** How did you feel about the whole situation? I mean, did you think your status as a younger workforce member in your organization made you miserable? Or, did the situation rather help you feel proud that you were part of the hard-working team back then?

**Kuroda:** Well... I think it was just that we were doing what we were expected to do. And, sure, it wasn't a bad feeling that I was sacrificing myself and making real contributions to my team, my division, and my company. I was just part of the younger, more energetic workforce of the company at that time, and I think every organization needs this sort of workforce anyway if they mean to stay in business. In other words, I was part of the 'frontline troops' of the company at that time [laugh].

**Interviewer:** What do you mean by being part of the 'frontline troops'? Could you elaborate on that?

**Kuroda:** ...The troops who had to go first in the battle field frontline. Your boss and seniors were either behind you or sitting back on a comfy couch back home. Someone had to go and sacrifice themselves for the sake of the larger good. Your boss and seniors were older, you know. It's not that they were lazy or cowards or anything. They just deserved to be in a safer place because of all the sacrifices and contributions that they had already made. Now, it was your turn...

(Data obtained on October 8, 2008)

## **5.4. Coming of 'Middle-Age': Aligning Age, Tenure and Organizational Roles**

### 5.4.1. Structural contexts: The rise of the 'bubble economy' and institutionalized age-based promotion systems in organizational hierarchies

This section discusses experiences of aging as perceived by the interview participants in the *third phase* of the course of their working lives under the lifetime employment institution. The chronological age of most of the interview participants in this 'middle-age' phase ranged from early 30s to early 40s. This phase fell roughly between the mid 1980s and the early 1990s.

In this phase, most of the interview participants were fully exposed to and thoroughly influenced by the age-grading forces of the lifetime employment institution. As discussed in Chapter Two, many of the structural components of the lifetime employment institution in Japan – employer practices and public policies – explicitly use age as a criterion to allocate resources and opportunities for workers.

The interview participants' experiences of aging in this phase were characterized by their experiences of climbing up the chain of command in their organizations'

hierarchies through promotion from lower to higher organizational roles as they grew older. Most of the interview participants faced increasing pressures to keep up with organizational roles that were defined as ‘appropriate’ to their age (and thus tenure). Employers’ close linking between the interview participants’ age and ‘age-appropriate’ organizational roles in this particular phase rendered the interview participants as the ‘men in the middle’ within their organizations. This process thus facilitated the ‘coming of middle age’ for them in the course of their working lives under the lifetime employment institution in Japan. Thus, I refer to this phase of the interview participants’ experiences of aging under the institution as the ‘middle-age’ phase.

Based on the interview participants’ recollections, the following two factors can be raised as the two most significant structural forces that shaped, directly or indirectly, their experiences of aging during this phase of their working lives. The two structural factors are: (1) The rise of the so-called ‘bubble economy’ and (2) employers’ institutionalized practices of age-based promotion.

The first structural factor is the set of *macroeconomic conditions surrounding the entire country – the ‘asset bubble economy,’* which arose from the mid 1980s to the early 1990s. As discussed in Chapter Two, it was the rise of the ‘bubble economy’ that had substantially established and stabilized the Japanese economy as the second-largest economy in the world only exceeded by that of the United States. The wealth effect of aggressive corporate asset investments stimulated the rise of a rapidly growing consumer-driven economy, which in turn pressured most employers in the country, particularly those of large and medium-sized organizations in the private sector, to expand their productive capacities at unprecedented levels. In this context, labor shortages became a



more serious challenge than ever before to most employers across the country (Kato and Morishima 2002).

The second structural factor – *institutionalized employer use of age-based promotion systems at the workplace* – was generated largely by these macro-economic conditions. The necessity to expand workforce size required that employers rigidly structure, or re-structure, their organizational hierarchies. Each organizational role (and title and position) and its relation to other roles – chains of commands within organizational hierarchies – needed to be clearly defined. More importantly, the methods for determining promotion from lower to higher roles needed to be clearly established. By the end of the 1950s, some large private organizations and most public sector organizations had already established the age-based organizational hierarchies and promotion systems that are today considered the most traditional organizational structures in the Japanese workplace. It was particularly from around the mid 1980s that these hierarchical organizational structures were adopted by and institutionalized in most other organizations, including many medium and small-sized organizations. These became the standard organizational hierarchies and promotion systems that most workers experienced across the country (Ono 2007).

With age-based promotion systems, most employers during this time period institutionalized the use of age in determining promotion opportunities for their workers. Similar to the aforementioned *seniority-based compensation system*, the age-based promotion system places a priority on workers' seniority in the allocation of promotion opportunities; the longer workers serve their employers, the more opportunities for promotion they are likely to be provided. However, most of the interview participants

experienced both implicit and explicit pressures in their daily working lives to keep up with what their organizations considered to be the organizational roles that were ‘appropriate’ to their age and tenure. The ‘middle-age’ phase of the interview participants’ working lives was powerfully shaped particularly by their lifetime employers’ use of age and tenure to organize the pace and path of their promotions over the course of their working lives.

In this section I present findings from life story interview data of the interview participants’ recollections of their experiences of aging as shaped largely by these structural forces: The rise of the so-called ‘bubble economy’ and institutionalized employer practices of age-based promotion at the workplace. This section is organized as follows: In the sub-section 5.4.2., I discuss my findings of the interview participants’ experiences of being subjected to age discrimination during the ‘middle-age’ phase. In the sub-section 5.4.3., I discuss the participants’ attitudes towards the age discrimination experiences. In the sub-section 5.4.4., I discuss the participants’ self-concepts as workers during this time. Finally, in the sub-section 5.4.5, I summarize the findings of the interview participants’ experiences of aging in this particular phase of the course of their working lives directly under the lifetime employment institution in Japan.

#### 5.4.2. Age discrimination experiences: Pressures to keep up with ‘age-appropriate’ organizational roles

In the ‘middle-age’ phase of their working lives under the lifetime employment institution, most of the interview participants commonly experienced climbing up the

ladders of their organizations' hierarchies by being promoted incrementally from lower to higher organizational roles. In this context, 47 of the 52 interview participants commonly recalled that, at some point during this phase of their working lives, they felt that they were subjected to age discrimination due to the age-based promotion system deeply institutionalized in their organizations.

Few interview participants, during this 'middle-age' phase, directly confronted age barriers to climbing up to the higher positions within their organizations' hierarchical structures. Nonetheless, they commonly experienced that the age-based promotion systems adopted by their organizations placed them under persistent, strong pressures to 'align' their chronological age and tenure with their organizational roles in the process of climbing up the ladders of their organizations' hierarchical structures.

The hierarchical structures of organization in the Japanese labor market show considerable variation, particularly by industrial sector. Nonetheless, the most standard organizational hierarchy in Japan is comprised of at least the following five major organizational roles, excluding the top executives, in both public and private sector organizations: (1) *Group Head*, (2) *Subsection Chief*, (3) *Section Manager*, (4) *Assistant General Manager*, and (5) *General Division Manager*. Larger organizations tend to develop a number of obscure intermediate roles between these five standard roles. By the time they were entering the 'middle-age' phase of their working lives, all 47 of the interview participants who reported experiencing age-based discrimination during this stage of their careers had already held roles at least the equivalent of *Subsection Chief* as defined in their organizations. During this phase, as they progressed in age, the interviewees continued to climb up their organizational ladders from *Subsection Chiefs*

through *Section Managers* up to as high as *Assistant General Managers* within the organizational hierarchies structured by their employers.

The 47 interview participants commonly recalled that during this phase of their working lives, they found themselves under increasing pressure to keep up, or catch up, with the organizational roles that were defined as appropriate to their ages. They experienced being exposed to potential sanctions for being ‘off-time’ – often too late – for the timing of ‘age-appropriate’ transitions in their organizational roles over the course of their working lives within their organizations. Both implicit and explicit pressures from younger and older organizational members made the interview participants feel that it was shameful to be ‘off-time’ for age-appropriate’ promotions to higher organizational roles. Due largely to the unprecedented economic boom occurring across the country, during this phase very few interview participants were ever concerned about their job security within their organizations. Rather, due to the increasing ‘fear of not keeping up with their age-appropriate roles’, their primary concern during this phase of their working lives was with their ‘status security’ within their ‘lifetime employment’ organizations.

Below, I present extractions of life story interview data obtained from *Fukuda*, who, at the time of data collection, was 63 years old and worked for a large telecommunication company. As a large private organization, this company employed about 12,500 employees all over the country. At the time of data collection, Fukuda worked for this company as a part-time, post-mandatory retirement worker stationed in one of the company’s satellite offices in a suburb of Tokyo. His main current task was to assist the office representative in administrating consumer information data. In total, Fukuda had been employed at this company for 41 consecutive years. Since

[mandatorily] retiring from this company at age 60 (in year 2005), Fukuda had been rehired by the same company for about three years. Until his retirement at age 60, he had been a regular employee, part of the core workforce of his company, who had experienced climbing up the organizational ladder as he grew older.

Fukuda's life story in the 'middle-age' phase of the course of his working life is representative of what most of the interview participants experienced related to aging as shaped by their employers' use of age-based promotion systems. He recalled that at times he felt humiliated by the ways in which his co-workers, including his subordinates and superiors, criticized his being 'off-time' for promotions. Fukuda also recalled that some members of his age cohort left the company during this phase of their working lives due partly to the increasing pressure to keep up with 'age-appropriate' organizational roles. From Fukuda's perspective, these members of his age cohort experienced a form of organizational sanction for being too late for 'age-appropriate' promotions within the organizational hierarchy. In recalling his experiences of the age-based promotion system at his organization, Fukuda stated:

**Extract #7:**

***Fukuda:*** ...Back in the late 1980s... I was in my early 40s and was assigned to be part of the legal division of the company. You think it's a simple business to provide people with access to telephone service at home and at work, don't you? But, to do the business, we always had to deal with a lot of very complicated and rapidly changing laws and regulations... Back then the legal division was made up of four sections, each of which consisted of three or four subsections. I was one of the *Subsection Chiefs* working within the division... In this role, I was leading a group of seven or eight younger workers under the supervision of my *Section Manager*. Our subsection's regular task was to develop a lot of legal documents submitted to the C.E.O.'s office.

**Interviewer:** So you were a *Subsection Chief* in your early 40s around that time. Was that considered a successful status at that point in the course of your career within your company's organizational hierarchy?

**Fukuda:** ...I didn't think it was that bad. But I remember around that time I often felt humiliated when I happened to overhear my subordinates chatting about me behind my back, saying: 'He isn't that great, you know. He's already in his 40s but he's still just a *Subsection Chief*... what's wrong with him?'

**Interviewer:** It sounds like, from your subordinates' point of view, you were lagging behind the timeline for promotion expected by your company.

**Fukuda:** Exactly... Around the same time, my bosses started saying very similar things to what my subordinates badmouthed me about... My *Section Manager* and his boss, the *General Manager*, often picked on me in a more direct manner... I remember that, during a section meeting, the *General Manager* guy at that time even pointed me out and scolded me, saying: "You are very slow and behind schedule. You'll be in trouble!" He said that in front of way more than 100 members of our section...

**Interviewer:** Why did the *General Manager* say that? Did he mean that you were a laid-back or even a lazy guy at least in your organizational role at that time?

**Fukuda:** That was a 'reminder,' you know, a reminder not just for me but for other employees around my age in his division. He meant to remind us of what was considered appropriate and what was shameful in terms of how we navigated our career development within the organizational promotion structure... We were supposed not to be too old [chronologically] in the roles we held, and we were expected to move up from one 'age-appropriate' title to another as we grew older. Most people [employees at this company] around my age experienced being so-called 'off-time' in our promotion at least once or twice around that time... Anyway, I was quite offended by these nonsensical reminders of my age in relation to my organizational role.

**Interviewer:** Why do you say those reminders were 'nonsense'?

**Fukuda:** ...Because...why did we always have to keep our organizational role in alignment with our age, or vice versa? I see that, yes, in general, we have norms about by what age we are expected to have accomplished certain things or to have gained certain titles. But, this whole obsession with the 'age-title link' really made me feel like I was constantly discriminated against because of my age... Yes, I was 41 or 42 years old at that time and was just a *Subsection Chief*, but did that simple fact singularly mean that I was a some kind of stupid loser at that time?

**Interviewer:** And, you said that you were not the only one who experienced such treatment...

**Fukuda:** In fact, I know some of my co-workers, some of the members of my age cohort [employed at the same company around the same time], who left the company around that time... You know, in a large and well-established company like ours, most people knowingly or unknowingly are privileged with very strong, long-term job security. It [job security] was just taken for granted at least back in that time. Not many people ‘voluntarily’ quit being part of the company before [mandatory] retirement. If you saw turnover, it was most likely among those who were just employed or those who were between the ages of their mid 30s and early 40s.

**Interviewer:** I suppose some younger people [those who were just employed] left because they were just doing some career ‘trials.’ But, what about the case of those who were in their mid 30s to early 40s?

**Fukuda:** The same age discrimination [as what Fukuda experienced], you know. Those people just couldn’t stand the lurking and often humiliating pressure to match their age and their organizational roles. People around our age were very concerned about their ‘status security,’ not ‘job security,’ as they were pressured to achieve greater status within the company... The worst scenario for many workers around that age was to just keep getting [chronologically] older while not being promoted at all. If that was your situation, you might as well leave the company and avoid being humiliated for the rest of your career.

**Interviewer:** I see...

**Fukuda:** And, you know, some people just don’t have that mentality. Some people are just not that enthusiastic about elbowing out their colleagues and aggressively climbing up the chain of command just to get a role that happens to be considered appropriate for their age... I don’t think the company intended to kick them [Fukuda’s age cohort members] out. But, the whole pressure [to keep up with ‘age-appropriate organizational roles’] was so intense and lasted for such a long time that they must have felt quite insecure about their future status and found it to make more sense to earn their living a different way...

(Data obtained on November 5, 2008)

5.4.3. Attitudes towards linking ‘age’ with organizational roles: The great equalizer of promotion opportunities and the organizer of social interaction at work

As discussed earlier, 47 out of the 52 interview participants recalled that, in the ‘middle-age’ phase of their working lives, they were subjected to age discrimination due to their organizations’ close linking of their chronological age (and tenures) and their organizational roles within the hierarchical structures. 46 of these 47 interview participants clearly recalled their attitudes towards their organizations’ use of age-based promotion systems. 42 of these 46 recalled that, despite the emotional distress associated with the pressure to ‘keep up with age-appropriate organizational roles,’ they saw their employers’ use of an age-based promotion system as a justifiable practice overall, citing one or both of two main reasons: Age-based promotion systems tended to 1) equalize all employees’ chances for promotion over time and 2) create a sense of social structure among co-workers that facilitated appropriate daily social interactions.

The interview participants’ first main justification for the age discrimination brought about by age-based promotion systems was based on the view that, in the long run, this human resource management practice served to distribute promotion opportunities among workers as equally as possible. Within a hierarchically-structured organization, the higher roles, titles, and positions are scarce resources for workers; many lower-ranked employees seek a limited number of higher-ranked roles. In this context, of a variety of possible criteria, employers under the lifetime employment institution characteristically chose to use ‘age’ as the most central criterion to determine workers’ roles within the hierarchical structures. This is because of the fundamental nature of age; everyone ages at the same speed and timing. By linking ‘age’ and ‘organizational roles,’ employers sought to equalize promotion opportunities among workers over the course of their working lives.



39 of the 47 interview participants recalled that they also justified their employers' use of age-based promotion systems based on a view that 'linking age and promotion' served to establish a clear social structure within the organizations, simplifying appropriate daily social interactions. Not only their employers (e.g. CEOs), but also most workers in their organizations more or less accepted and complied with the notion that some basic links were needed between one's age and one's role, title, or position in the workplace. No one wanted to be 'too old' or 'too young' for their roles or responsibilities. By the same token, coworkers, including subordinates and superiors, would also find it difficult to work closely with someone who had a conspicuous gap between his or her age and the level of his or her organizational role. From the 39 interview participants' point of view, despite some negative effects, their employers' use of the age-based promotion system was justified overall for the way it helped to organize daily social interactions at the workplace over time.

In what follows, I present an extraction of the life story interview data drawn from *Yamazaki*, who, at the time of the data collection, was 55 years old and had been employed for 33 consecutive years at a company in the steel industry. As a large, private organization, Yamazaki's company employed more than 15,500 employees all over the country.

Immediately after graduating from a high school in a Tokyo suburb, Yamazaki worked to assist his family's hotel business for about four years. He was employed as a regular employee of the steel company at age 22 (in 1975). From Yamazaki's perspective, although he only had a high school diploma, he experienced a faster pace of promotions than many of those who joined the company around the same time. In 1981, just six years

after his initial employment, Yamazaki was first promoted at age 28 to be a *Group Head* in the accounting division of the company. About four years later (in 1985), at age 32 he was further promoted to be a *Subsection Chief* in the human resource division. Only two years later (in 1987), at age 34, he was again moved up, this time to be a *Section Manager* back in the accounting division.

Yamazaki's recollection of his attitudes towards his employer's use of the age-based promotion system represents those of most of the 47 interview participants.

Yamazaki noted that at times he was critical of some effects of the company's pressure on workers to 'keep up with their age-appropriate organizational roles.' Simultaneously, Yamazaki valued the two positive effects cited by many of the interview participants in justifying their employers' close linking between 'age' and 'organizational role': it was the great equalizer of promotion opportunities and the great organizer of social interaction at work. In recalling his attitudes, Yamazaki stated:

**Extract #8:**

**Yamazaki:** ... Ours [the company] is a very typical one [in Japan]... I am pretty sure the way in which promotion is determined in our company is very typical. If you were an employee of our company [up for promotion], first your immediate supervisors would recommend your promotion to the head of the human resource division. This person makes his decision and sends it to the C.E.O. office. Then, the CEOs make the final decision and announce such decisions in an annual meeting held specifically for human resource appointments for the coming year. This sounds rather simple when I verbalize it. But, your promotion is determined based on a variety of factors... First of all, you'd have to be 'old enough' to be promoted to a certain role.

**Interviewer:** That means, the decision makers would expect that I'd have to have served the company for a certain duration. Right?

**Yamazaki:** Yes, length of service, that's what I actually meant when I said 'age.' OK, that's the bottom line. Plus, you'd have to have a good record of

accomplishments within the company. For instance, say, during your appointment as *Group Head* [the lowest level of management position] you had successfully helped your boss to develop a new section, division, branch, or even satellite office in Fukuoka [a south western city in Japan]. Then, [given your age and accomplishments] you might now be ready to be promoted to a *Chief of Subdivision* role. Furthermore, you'd have to gain your bosses' favor, you know. You'd have to be a 'good boy.' In some sense, this might be the most important factor after consideration of age.

**Interviewer:** ...What do you think of this 'link between age and promotion opportunities'? I mean, ordinary workers in England or the U.S., for instance, might find it a bit strange that, in a typical Japanese setting, workers' chronological age plays such a central role in the allocation of one's promotion opportunities...They might wonder why 'age' speaks so much louder than other factors such as education, achievements, and experiences from other working settings...

**Yamazaki:** Well, I don't know much about how things are managed in other countries. To me, yeah, honestly, the 'close link between age and promotion' could easily hurt some employees, particularly in their middle age. Even if you accomplish miraculous achievements for your entire company, you can't be promoted to *General Division Manager* [typically, the highest role in an organization except for the executives] if you are 'too young,' say, if you were still in your 30s. If you actually became one, you'd have to direct, supervise, and even sometimes yell at [coworkers] who are [chronologically] way older than you are... On the other hand, if your role or title remains 'too low to correspond to your [chronological] age,' you may spend the rest of your [working] life in shame, you know.

**Interviewer:** So, did you think that the link between age and organizational role was an unreasonable practice overall?

**Yamazaki:** ... No, it's not really unreasonable or meaningless ... As I said, in some sense, it is beneficial for you to hold an organizational role that is 'appropriate to your age.' You know, the way we interact with someone [chronologically] older is very similar to how we relate to someone in a higher organizational role. It would be sort of out of our daily interactions' scripts if we had someone in our company who was older than we were but holding a lower role... It would just be odd....

**Interviewer:** ... So did you think that the age-based promotion system implicitly maintained age-appropriate human relations at the workplace over the course of your working life?

**Yamazaki:** I think so... And, that's not the only reason why age-based promotion systems are so widely institutionalized in this country... It's part of the national

culture, I think... I mean, I myself have to make a lot of important decisions related to my subordinates' promotions. You mentioned that in some other countries, workers' educational backgrounds, accomplishments, and experiences from other organizations may shape one's promotion opportunities more powerfully than his or her age... But, these things are not really fair criteria to allocate the opportunities for employees in our company.

**Interviewer:** Why are these not fair criteria?

**Yamazaki:** Well, think about 'accomplishments.' Even when you build an impressive record of achievements in your role, how does one know that those are really 'your' accomplishments? In the corporate world, almost all activities require team work - most workers are collaborating with and supporting one another whether or not these relations are visible... Education?... You may bring with you a fancy 4-year college degree to our company. But, at least up to our generation, including myself, many young folks just couldn't afford going to college.

**Interviewer:** And, that's not fair that only those who come from a financially comfortable background get more promotion opportunities throughout their career.

**Yamazaki:** That's right. But, 'age' is different, you know. Everybody ages at the same pace and timing. So, the age-based promotion system may not be the best option to allocate promotion opportunities, but it is the only criterion that we can utilize to equally distribute promotion opportunities among employees. I think this is one of the practices that most companies in Japan, including ours, use to try to equally distribute promotion opportunities among their workers over the course of their career. This is my opinion now, as it was then, when I was in my late 30s...

(Data obtained on October 21, 2008)

#### 5.4.4. Self-concepts as workers: Becoming the 'man in the middle'

Most of the 52 interview participants recalled that during the 'middle-age' phase of their working lives, they developed an ambivalent self-concept as members of their 'lifetime employment' organizations. The ambivalence of their self-concepts stemmed

from a set of contradictory views about their self-esteem as workers, subjective age, and age role identity.

In recalling the ways in which they assessed their value as members of their organizations during this phase of their working lives, 51 out of the 52 interview participants noted that they embraced both positive and negative views of themselves, simultaneously. Typically, there were two sources for their positive self images: Compensation and organizational roles. Compared with their salaries and annual bonuses during the first and second phases of their working lives, such compensation in the 'middle-age' phase was substantially increased. Having been promoted to organizational roles that were considered appropriate to 'middle-age' workers, most interview participants had a number of subordinates to mentor and supervise. The status associated with these leadership roles provided them with a sense of being accomplished members of their organizations. However, simultaneously, most of the interview participants experienced being under constant pressure to continue climbing up the organizational ladders so as not to lag behind in the expected timing of their promotions. Such pressures stood as a persistent reminder that they were 'still in the middle of' becoming worthy of 'more valuable and important roles' within their organizations.

Recalling their subjective age during this phase, all the interview participants – 52 out of 52– noted that they felt 'middle-aged' as members of their organizations. The interview participants commonly recalled that it was organizational structures that rendered them middle-aged; everyday, they were supervising those whom they considered 'younger' workers, while working under the supervision of their 'seniors.' This middleman status led the interview participants to develop and maintain their

subjective age as ‘somewhere in the middle’ – no longer young like their subordinates, but not as old yet as their superiors, thus, ‘middle-aged.’

Recalling their age-role identity during the ‘middle age’ phase of their working lives, 50 out of the 52 interview participants stated that their primary role within their organizations was to be ‘the man in the middle.’ They were no longer protégé or ‘frontline troops’ of their organizations. Based on the organizational roles that they attained during this phase, they were expected to serve as multitaskers endowed with multiple roles. On the one hand, when working with their subordinates, they needed to act or serve as their upperclassmen, seniors, or superiors. When working for their superiors, on the other hand, they served as their lowerclassmen, juniors, or subordinates. The 50 interview participants recalled that, despite the complexity of being the ‘man in the middle,’ this was the fundamental role that they were expected to perform during this phase of their working lives.

Below, I present extractions of life story interview data drawn from *Shirai*, who, at the time of the data collection, was aged 57 and had worked for a large private company for 33 consecutive years. The company was an auto dealer, selling, exporting, and importing mainly passenger cars, and employing about 6,000 workers nationwide. Originally established as a small family business back in the early 1960s, this company had merged with a major auto manufacturer in Japan in the late 1970s. Since the merger, this company had steadily grown in business and organizational size to date.

Shirai was first employed at this company at age 24, shortly after graduating from a 4-year college. For the first 10 years of his career within this company, he promoted sales of their used cars all over the country. This task required that he constantly move

from one city to another as his company grew larger. At age 38, in 1989, Shirai was promoted to *Section Manager* in the customer relation division of the company. The extracted interview data of Shirai represent most interview participants' recollections of their self-esteem, subjective ages, and age-role identities in the middle phase of the course of their working lives under the lifetime employment institution.

**Extract #9.**

**Shirai:** ...I was 38 when my boss informed me first thing one regular work day morning that the top personnel of our company, including the C.E.O., had decided to give me a promotion. They had just decided to promote me from a *Subsection Chief* in the sales division to a *Section Manager* in the customer relations division of the company... I still remember that moment...It was truly one of the happiest moments in my working life in this tough, harsh company.

**Interviewer:** Were you so happy because you got a higher organizational role?

**Shirai:** Sure. And, more than anything, it gave me a great sense of accomplishment...You know, the sales division is the hell of any kind of business anywhere. Constantly dealing with crazy people, a lot of unreasonable pressure to sell more, irregular work hours, and no private life...No one wants to stay part of the sales-force... Well, the new division, customer relations, involved a somewhat tough and unusual workload, but overall my job under the new title was essentially office work. I liked it overall. So, my promotion was more than a promotion; it was really a reward from the company for my long-term hard work and dedication in the sales field...

**Interviewer:** I see. How did the promotion change your work life?

**Shirai:** My salary increased a lot, so we [Shirai and his wife] went on to decide to purchase a house, which we had long wanted... So, I had a fancy title [*Section Manager*] on my business card and a bit of financial comfort. I also got about 60 to 75 youngsters working under me. These were the good things [about my promotion]. They really made me one of the 'seniors' in our company... But, once promoted, I faced whole a lot of pressure to be responsible for many things that I had never been in charge of... My bosses were generally happy about my performance, but sometimes they were not. I was often told that I wasn't good enough... So, it [being promoted to be a *Section Manager*] was kind of a beginning of a new career for me within this company – the coming of 'middle age,' so to speak... So goes life, you know.

**Interviewer:** So, it was when you started serving as a *Section Manager* in the customer relations division that you first became a middle-aged man, so to speak.

**Shirai:** ... I guess so... You know what, 'middle age' is a really funny life stage. There is really nothing that defines what middle age is on its own... In other words, you can't be middle-aged all by yourself. What I mean is that you have to have people below you and above you at the same time to be 'in the middle.' In my company, I had many younger folks following me and still had many superiors to boss me around. Looking back, this situation made me a middle-aged man...

**Interviewer:** How did that [being a middle age man] make you feel? Was that a good thing for you?

**Shirai:** It [becoming a middle-aged man] was...good and bad. Well, it made me not young any more and yet not too old yet, either... It meant that, around that time, I was privileged with some things that I didn't have when I was younger, but I also suffered a lot from things that I wouldn't have had to deal with if I were older... A mixed blessing.

**Interviewer:** What did you think was your most important role as a member of your company then? What was your primary role as someone in his middle age working in the company?

**Shirai:** ... Hmmm... again, not to be part of the young folks, and, at the same time, not to be part of the older folks... Well, simultaneously, to be partly a younger worker and partly an older worker... Sounds very complicated, doesn't it.

**Interviewer:** Sure. Please tell me more about it.

**Shirai:** Well no matter how complicated, this was what I had to do all the time. I had to switch my role depending on who I was working with. I had a lot of responsibilities mentoring many younger workers. The customer relations division was a relatively new division back then, so people were always confused about what to do. I had to present myself as a very reliable, well-experienced supervisor in front of my subordinates. At the same time, I myself needed to be well supervised by my superiors because I myself was often confused with what to do there [laugh]... But, I thought that my primary role was just to be the 'man in the middle,' you know. Someone had to be in between the younger and the older... In a company like ours, there had to be certain numbers of mediators as it were, who, like me, acted as supporting pillars of the entire organization just by undertaking these complex roles...

(Data obtained on December 16, 2008)



## **5.5. Transition to ‘Older Workers’: Exclusion from Job-Training in the ‘Lost Decade’**

### 5.5.1. Structural context: The bursting of the ‘bubble economy’ and exclusion from long-term, in-company human capital investments

This section presents findings from the life story interview data of the experiences of aging as perceived by the interview participants in the *fourth phase* of the course of their working lives under the lifetime employment institution. The chronological age of most of the interview participants in this phase ranged from late 40s to late 50s. This phase falls roughly in the time period between the mid 1990s and the early 2000s. I refer to this phase as the ‘transition’ phase – it was during this phase that most of the interview participants recalled that they experienced the gradual transition of their self-concepts from middle-aged to ‘older’ members of their organizations.

Most of the interview participants commonly recalled that their perceived transitions to ‘older worker’ status occurred under, and were fostered largely by, two structural factors: (1) *The bursting of the ‘bubble economy’* in the early 1990s and (2) changes to employers’ institutionalized practices of *long-term in-company human capital investment* in their core workforces.

The first structural factor – the bursting of the ‘bubble economy’ – occurred in 1993. The ‘bubble economy’ between the mid 1980s and the early 1990s had brought the country’s economy a time of unparalleled prosperity. Although the country’s *Economic*

*Planning Agency* announced the bursting of the ‘bubble economy’ in December 1991, it was not until January 1993 that the then Prime Minister, Kiichi Miyazawa, acknowledged the coming of the economic recession. By the second quarter of 1993, the growth rate of Japan’s GDP had dropped to an annual average rate of about two percent, down from about 12 percent growth at the peak of the bubble economy. Increasing unemployment and bankruptcy, the bursting of the ‘bubble economy’ led the entire country into a decade of economic stagnation, a period that later came to be known as the ‘lost decade’ (JILPT 2010). During the ‘lost decade,’ most employers in the country conducted ‘restructuring’ of their workforce organizations. The goal of the ‘restructuring’ was to increase efficiency of the current workforce, rather than continuing to expand the workforce in search of productivity. As discussed in Chapter Two, these efforts typically included reducing overtime, transferring workers to where more of the labor force was needed within the *keiretsu* networks, reducing new recruits, selling corporate assets, and cutting executive bonuses and salaries.

The second structural factor involved the interviewees’ exclusion from employers’ practices of *long-term in-company human capital investment* in their ‘lifetime’ employees, which is, as discussed extensively in Chapter Two, an institutionalized part of the lifetime employment system. Rather than relying on external educational and training resources, employers under the institution often invest workplace-based resources in in-house, on-the-job training over an extended period of time beginning at employees’ entrance into their organizations. This distinctive method of human capital investment aims to assure employees’ accumulation of firm-specific skills, knowledge, and social networks. Development of such firm-specific human capital

is understood as one of the major factors allowing employers under the lifetime employment institution to establish and maintain their productivity and viability in an internationally competitive economy (Vogel 1963, 1979). In utilizing this method, employers assume a return on their long-term human capital investment as employees spend their entire – lifetime – careers within the same organizations (Ono 2007). However, during this phase of their working lives, the interview participants began to be excluded from the human capital investments of their employers.

These two structural factors - the bursting of the ‘bubble economy’ and changes to employers’ institutionalized practice of long-term in-company human capital investment – together significantly shaped the interview participants’ experiences of aging during the ‘transition’ phase. The bursting of the ‘bubble economy’ was the direct cause for employers’ ‘restructuring’ efforts. The ‘restructuring’ efforts involved significantly limiting, if not fully denying most of the interview participants further access to long-term in-company human capital investment during this phase of their working lives. The experiences of aging as perceived by the interview participants during this ‘transition’ phase is characterized by their perceived exclusion, directly or indirectly, from the workplace-based training and education opportunities that were part of their employers’ practice of long-term in-company human resource investment. In this context, most of the interview participants commonly experienced that they were excluded from employer-provided opportunities for learning skills and knowledge pertaining to the latest information-management technologies—specifically, the use of computers.

Particularly between the mid 1990s and the early 2000s – during the ‘lost decade’ – most companies in Japan completed *computerization of the workplace*, from initial use

in selected capacities to the thorough installment on the individual workers' level. Thorough computerization of the workplace was part of employers' efforts to 'restructure' their workforce organizations. In the short run, computerization of the workplace would be costly; nonetheless, to many employers it was necessary for increasing their organizational efficiencies and for keeping up with the growing trend of computerization in workplaces across the country. According to most of the interview participants' recollections, they experienced being excluded from training and educational opportunities with respect to the use of computer technologies even in the midst of such thorough workplace renovations. These exclusion experiences were what most powerfully marked the end of the interviewees' 'middle-man' status in their organizations – when they were still part of their employers' core workforce – and the transition to 'older worker' status at their workplaces.

In this section I present findings from life story interview data of the interview participants' recollections of their experiences of aging as shaped largely by these structural forces: The bursting of the 'bubble economy' and employers' institutionalized practices of long-term in-company human capital investment. This section is organized as follows: In the sub-section 5.5.2., I discuss my findings of the interview participants' experiences of being subject to age discrimination, i.e., being excluded from job-training for using computers. The next sub-section - sub-section 5.5.3 – discusses the interview participants' attitudes towards these particular age discrimination experiences. In the sub-section 5.5.4, I discuss the ways in which the interview participants developed their self-concepts as workers during this particular phase of their working lives.

### 5.5.2. Age discrimination experiences: Limited access to training and education at the workplace

In the ‘transition’ phase of their working lives under the lifetime employment institution, which they entered during the harsh economic realities of the bursting of the bubble economy and the subsequent ‘lost decade,’ 46 of the 52 interview participants commonly recalled that they experienced being excluded from employer-provided training and educational opportunities to learn computer technologies at their workplaces. Their exclusion experiences included their employers’ implicit refusal to provide them with such opportunities, as manifested by their employers’ lack of invitation or encouragement for them to pursue training opportunities and the taken-for-granted assumption that the interview participants were indifferent to obtaining the skills and knowledge to use computer technologies.

In Japan, employers in some industrial sectors, particularly those in the telecommunication and auto-manufacturing industries, had already computerized their workplaces as early as the early 1960s. It was from the mid 1990s that most employers in Japan across all industrial sectors began thoroughly implementing computer technologies throughout most of their workplaces (Date 2009).

Up until the ‘middle-age’ phase of their working lives, the 46 interview participants recalled that they had continually received employer-provided training and educational opportunities. However, they commonly experienced being excluded from these later opportunities for learning computer technologies, which their employers began introducing to most of their worksites, during the ‘transition’ phase of the interviewees’

working lives. The interview participants commonly interpreted that their exclusion experiences in this specific area of employer-provided training and education resources was a 'sign' of the termination of their employers' human capital investment in them, which, up until this point, they had continually been offered and even required to undertake. According to the interview participants' recollections, the termination of their employers' long-term investment in them marked the end of their 'middle-age' phase of the course of their working lives.

The 46 interview participants recalled that they perceived these exclusion experiences as a form of age discrimination; they were rendered subject to exclusion from human capital investment chiefly because of their chronological age. They perceived that their employers, their younger co-workers, and organizations at large labeled them, more or less, as part of the generation at the workplace who were becoming, or were already, 'too old to be invested in' for their future contributions to their organizations. These experiences considerably limited their access to the workplace-based resources that could have helped them to remain productive as members of their organizations even in the midst of the 'lost decade,' in which employers pursued efficiency in their workforces.

What follows are extractions of life story interview data drawn from *Kimura*, who, at the time of data collection, was aged 57 and held an upper managerial position at an organization where he had been employed for 33 consecutive years. The organization was a large private organization in the real estate industry with a total of about 6,200 employees all over the country. Kimura's life story in the 'transition' phase of the course of his working life is illustrative of most of the 46 interview participants' experiences of

aging as shaped by their exclusion experiences from their employers' long-term in-company human capital investment during the 'lost decade.' Kimura recalled that he experienced being excluded from workplace-based resources for training and education that would have taught him the basics of using a personal computer in the office. Kimura was 48 years old when his company thoroughly renovated the office and worksite environments by introducing the most popular office computers during the late 1990s. In recalling his exclusion experiences, Kimura spoke as follows:

**Extract #10:**

**Kimura:** ... Since the early 1980s or so, the 'computer,' as we know it today [desktop and laptop personal computers], had already been here in our company. But these were just for those who really needed them for specialized tasks, such as doing complicated calculations and saving massive amounts of customer information. But, back then, the computer stuff hadn't yet been around very long... Then... I remember, around the late 1980s or so, some of my co-workers had already begun routinely using big, boxy desktop computers just for specific purposes... It was around the very end of the 1990s that our company finally placed a bunch of office computers all over its offices and branches. That was the time of 'one computer for one employee.'

**Interviewer:** Why do you think your company started 'computerization' of the workplace around that time [around the very end of the 1990s]?

**Kimura:** ... Our company was a relative late-comer on this... Particularly for our business [real estate sales and management], it was just a 'must' to rely on computers during that time to process information on our services all over the country. I also think that the company as a whole was under increasing pressure to run their business as smoothly and efficiently as possible... I mean, simply speaking, they [the company] needed to ride on the 'trend' [thorough computerization of the workplace] to remain competitive in the business... Things had to be done quicker and more efficiently. You know how crazy the economy was around that time [during the late 1990s]...

**Interviewer:** ... The entire [national] economy was in the middle of the so-called 'lost decade.' The 'bubble economy' was driven primarily by 'asset bubble'-based prosperity. So, your business [real estate] must have been hit by the burst of the 'bubble economy' most severely.

**Kimura:** Right... And... you know *Windows95*, don't you. When that came out, it brought about a huge computer boom in the late 1990s and changed the entire scenery of most of the workplaces in the country, I think. The boom really changed the whole scenery of the office, I mean, not just in our company but, you know, the way we worked. I am sure this was the case in America, too... We started using email not necessarily as an alternative communication method but also as a standard, legitimate way of communicating with our clients and other co-workers within the entire company.

**Interviewer:** In what ways did this computerization in your workplace make you feel that you were discriminated against because of your age?

**Kimura:** ... I recall that, about 10 years ago, our company provided workers with a variety of support aiming to help them learn how to master *Windows95* and some of its advanced applications at our workplace. Our company held special workshops and seminars, inviting experts dispatched from top-rated computer companies. Our company even organized some kind of special retreat outings. For these programs, people stayed at nice resort hotels somewhere in Sapporo [a northern city of Japan] and participated in a one-week intensive class for learning and updating their computer-technology skills. So, they enjoyed local sightseeing and so forth, too...

**Interviewer:** That sounds very generous of your company...

**Kimura:** Yeah, but I never attended such training activities... Most of my folks [his age cohort members] didn't. Such support was provided mainly for younger and middle-aged folks... may be up to their mid 40s... I was already 48 years old at that time. I was cut off...

**Interviewer:** Why weren't you and others in your age cohort included in those activities?

**Kimura:** ... Well, like I said, I was already 48. I was no longer young, at least, not young enough to learn new things like *Windows95*... I said those activities were 'support' from our company. But, actually, those were all 'investments,' not ours [workers'] but theirs [employers'], you know. Those were part of the company's investment in human capital development. When I was that age [age 48] I had only a bit more than 10 years to go [until retirement]. If [employer-provided] learning resources are scarce or limited, then, it makes sense for the company to allocate those resources to younger and middle-aged folks, not to us. That way, our company can expect a good return [on their investment] through those employees' future contributions.

**Interviewer:** How did your employer, or your bosses back then, refuse your participation in those learning programs?



**Kimura:** ... Good question... We [he and his fellow age cohort members]... just didn't get invited to these sorts of activities in the first place... I think that the management side of our company just assumed that we would soon be getting a bit too old, if we were not already too old, to be interested in, and maybe capable of, learning that new stuff... We had already established our own ways of getting things done, you know, which didn't rely much on computers... We used just this [pointing to his head], this [pointing to his mouth], and this [pointing to his hands]... So, I don't know if I answered your question properly, but, anyway, we were just out of the picture in the first place.

**Interviewer:** How did you feel about this treatment? I mean, when you first realized that you were not part of the picture in the first place, did the reality upset you in any way?

**Kimura:** ... Was I upset?... Sure, I was just talking to myself like: 'Ah... I see, I am now one of the old folks in our company.' It [that he was not invited to the training activities] really told me very honestly how I was seen, labeled, and stereotyped in terms of my age, work-capacity, future value in the company... It felt odd and sad at first, and then I became a bit resentful, you know. Well, honestly, I wasn't that enthusiastic about being a 'computer person,' and, yes, I was becoming an older man. But, hey, why did they [the employers] alone decide who's capable of learning that new stuff and who's not... This was a sort of age discrimination, right?

(Data obtained on December 6, 2008)

### 5.5.3. Attitudes towards exclusion from training and education: 'Graduation' from the learning period

As discussed earlier, 46 out of the 52 interview participants recalled that, in the 'transition' phase of their working lives, they felt discriminatorily treated over their chronological age when they were excluded from access to their employers' *long-term in-company human resource investment* particularly in the realm of training in computer technologies. In recalling their attitudes toward these exclusion experiences during this phase, almost all the interview participants – 45 out of 46 of them – largely justified their

employers' exclusion of them from these opportunities for learning computer technologies.

While largely viewing these experiences of exclusion as age discrimination, 45 of the interview participants also compared these experiences to the kinds of events surrounding graduation from a school setting. They interpreted these exclusion experiences as a form of acknowledgment of their 'completion' of and 'graduation' from their expected long-term learning processes over the course of their working lives within their organizations. Sooner or later, students in school settings are expected to graduate from their programs. They indeed need to do so because of the very nature of studenthood – by definition a 'student' is a transitional status and is expected to eventually achieve a different status, such as that of a worker. By the same token, at some point over the course of their working lives, employees in work organizations, too, are expected to complete the long-term training administered by their employers and to advance their status from that of a core workforce member to the next status.

Below, I present an extraction of life story interview data drawn from *Arai*, who, at the time of the data collection, was 56 years old and had been employed for 35 consecutive years at an organization in the healthcare/welfare industrial sector. Employing a total of about 1,200 workers, his organization delivered a variety of healthcare services particularly to the disabled and the elderly through its eleven local facilities in and around the Tokyo area. With a 2-year vocational school diploma, Arai had been assigned to undertake a variety of clerical tasks including budget management and allocation of healthcare providers to the organizations' eleven local facilities.

Arai's recollection of his attitudes towards his experience of being excluded from the computer-training and educational opportunities at his work organization is illustrative of the 45 interview participants' common attitudes towards their exclusion experiences. Arai was 47 years old in 1999 when some of his superiors asked him to develop a list of office clerks from across the organizations' various facilities whom they should plan to provide with a series of in-house seminars for advanced computer-related training. On this occasion, Arai recalled, his superiors simply assumed that Arai and other office clerks his age and older, including the superiors themselves, would not need to attend the seminars and thus should not be part of the list. Arai described this occasion and his attitude toward the occasion at that time in the following manner:

**Extract #11:**

***Arai:*** ... I just wanted to make sure whether, after developing the first draft of the list [of the seminar attendants], I was expected to ask my fellows [those who were part of his age cohort] and all our seniors if they planned to attend the seminars... My boss, who was a few years older than I was, suddenly fixed his eyes on me as if he were caught off guard. It looked like he wanted to know if I was just joking or just didn't quite understand the whole point [of providing the seminars]... Well, I was serious, really... I would have guessed what age groups of our employees were specifically targeted or excluded if our organization planned to provide some training programs for, say, the basics of healthcare-related laws. Younger employees would definitely need that training, not older, experienced ones. But I simply assumed that, for this [advanced computer-related skills], we all would have a need for such seminars regardless of our age. Well, maybe except for those who were really just about to retire...

***Interviewer:*** Sure. So, did your superiors just assume that employees your age and older [at that time], including themselves, didn't need to, or should not, receive the training?

***Arai:*** Yes, they did, apparently... Looking back at that moment... I find it really funny when I imagine how he looked at me. Until that moment, I didn't particularly consider myself as part of the 'older' folks in our organization. To me, I was just a middle-aged, experienced, middle-management guy with a lot of responsibilities to work for my seniors while also taking care of my younger folks

[his subordinates]. But, in his [the superior's] eyes, I was already classified as part of his generation... an older generation... So, after some moments, he showed an odd smile and said to me, "We, older folks, don't need that [the training] anymore, do we. We've graduated from that, you know,"

**Interviewer:** Did you think, at that time, that you were unfairly treated because of your age? I mean, wasn't that treatment unfair to you compared to all the younger workers?

**Arai:** Absolutely. The message was – 'I was 'no longer young enough to be trained.' But, at the same time... this [exclusion from the training] was justified by the already existing generational 'digital divide,' so to speak... When we grew up [as workers] in this company, we just didn't use those kinds of fancy technologies. By contrast, when our company introduced thorough computerization of our workplace, younger folks were rather excited about it. It [computer technologies] was already a big part of their daily lives, you know... Outside the office, many of my subordinates had already mastered *Windows95*, and the use the Internet had already become an indispensable part of their daily communications... Our company wasn't very eager to teach us [Arai and his age cohort] this computer stuff, anyway. And... how about myself?... Was I very eager to learn it? I don't know... I was rather quietly excluded from all the new technology training programs. I wasn't part of the [younger] generation, anyway.

**Interviewer:** So, you thought that not only your employers but also you yourself somehow contributed to your own exclusion from the training opportunities?

**Arai:** That's right... It wasn't that I was not interested in learning the new things at all. But, I just felt that my boss and the entire company thought my primary role in the company around those times was to continue working on my tasks the way I had done them in the past. That way, I could support the bottom-line of our company's business while the younger staff spent their time to learn the computer stuff... which would be more important in the future, not right now. Really, I had already graduated from the [training and education] period not just for learning computer skills but for just anything...

**Interviewer:** Overall, did you think that what happened to you was something you could justify not only for yourself but for the rest of your age cohort and your seniors at your organization?

**Arai:** ... Sure. As I said, it's like graduation from school, you know. Willingly or unwillingly, school kids are pushed out of their school after spending a few years studying. We all experienced that when we were younger. As new students come in, older students have to go. And, once pushed out of the school, we aren't students anymore. We've got to be something else in the next phase of our lives, say, a worker in the labor force, or something like that. In our company, we were all like students when we received in-house training and education ... We had to

learn because that was part of our job description. But, as soon as we had learned enough, we had to move on to the next phase, say, to be ‘seniors.’ Seniors don’t need training and education anymore... Our main task as seniors is to oversee, manage, and mentor all the younger ones in our organization, based on the skills and knowledge that we have long accumulated over the course of our careers.

(Data obtained on November 19, 2008)

#### 5.5.4. Self-concepts as workers: Growing older as accomplishment

According to the interview participants’ recollections, during the ‘transition’ phase they commonly developed and maintained largely positive self-concepts as members of their ‘lifetime employment’ organizations. During this phase of their working lives, most of the interview participants regarded becoming ‘older workers’ within their organizations as an achievement. Due largely to their long-term contributions to their ‘lifetime employment’ organizations, they typically viewed themselves as seasoned and valuable ‘elders’ at their workplaces. Most of the interview participants had achieved or were now gaining ‘elder-hood’ status. With this status, they enjoyed being in the ‘prime of their working lives.’ As they had already ‘graduated’ from being subject to their companies’ *long-term in-company human capital investment*, they were largely relieved from the pressure to grow ever more productive for their organizations. During the ‘transition’ phase, most of the interview participants began identifying themselves primarily as very experienced and yet relaxed mentors for the younger members of their organizations.

50 out of the 52 interview participants recalled that, during the ‘transition’ phase of their working lives, they had positive *self-esteem as workers*. Mainly because of their

age and tenure, the interview participants perceived themselves to be more mature, more experienced, and more valued than most other members of their organizations. They felt that their ‘lifetime’ careers were deeply invested in their individual workplaces and their organizations at large. As long-integrated components in the workings of their ‘lifetime employment’ organizations, their presence, service, and contributions were indispensable to the organization’s business.

The 50 interview participants recalled that they were satisfied with the financial compensation - including their salaries, annual bonuses, and other monetary benefits - that they received during the ‘transition’ phase of their working lives. They were also content with symbolic value that they had accumulated – for example, organizational roles – with their long-term efforts to climb up the ladders of their organizations’ hierarchical structures. The interview participants felt that their value as members of their ‘lifetime employment’ organizations was worthy of both the financial compensation that they received and the organizational roles that they occupied during this phase.

As mentioned earlier, during the ‘transition’ phase of their working lives, 50 out of the 52 interview participants commonly began identifying themselves as being in transition from ‘middle-aged’ to ‘older’ members of their organizations. They were not too old to remain in their organizations, but at the same time they saw themselves as no longer part of the middle-age group. They even felt comfortable with mentoring, formally or informally, those whom they now labeled as middle-aged workers.

As for their *age role identity*, 47 out of the 52 interview participants recalled that they considered their primary role in the ‘transition’ phase of their working lives to be that of the ‘elder’ in their organizations. According to the interview participants’

definition, the role of ‘elders’ in their organizational contexts was to be seasoned, experienced, and reliable over-watchers for the younger members of their organizations.

Below, I present an extraction of life story interview data drawn from *Hidaka*, who, at the time of the data collection, was aged 61 and worked as a post-mandatory retirement worker. Since his mandatory retirement at age 60 in the year 2007, Hidaka had been employed for about one year at a medium-sized organization in the wholesale and retail industrial sector as a part-time clerical worker. Up until his retirement, Hidaka had been employed for over 35 consecutive years at a large organization with a total of about 14,000 employees in the manufacturing industrial sector. Hidaka’s ‘lifetime employment’ organization manufactured, sold, and imported residential and office furniture products. Hidaka was in his late 50s during the ‘transition’ phase. Around this time, he held a high managerial position in the import and export division of his company. Hidaka’s recollection of his self-concept in the ‘transition’ phase represents what most of the interview participants’ recalled of their self-esteem, subjective age, and age role identity during the ‘transition’ phase of the course of their working lives under the lifetime employment institution:

**Extract #12:**

***Hidaka:*** ...As far as the overall quality of my working life, the last four or five years of my career within the company [the furniture-manufacturing company] were absolutely the prime time of my working life...

***Interviewer:*** ...And, you said that that was the time during which you already viewed yourself as an ‘older’ member of the company, didn’t you?

***Hidaka:*** Yes. I was one of the ‘elders’ in the company by that time... I viewed myself that way, and all the rest of the company identified me the same way...

**Interviewer:** Was ‘elder’ a positive status in your company back then? Was that a good thing to be?

**Hidaka:** ... It’s always sad not to be young anymore [laugh], but, in fact, it wasn’t that bad being the elder in that kind of work environment, you know – an environment in which you’d worked for a large, major, and quite known company in that [furniture-manufacturing] business. Around that time I was paid very well, I think, at least compared to other, younger folks and to myself in my earlier career stages. Both my work and family lives were quite comfortable, thanks to the very satisfying income. Also, my main role was to be like a mentor and a consultant for most, if not all, employees of the company. I was one of the big brothers whom almost everybody looked up to. Plus, folks didn’t keep me too busy because I was an old man [laugh]. They [the rest of the employees] always kept some distance from me in a good sense of the word – they just tried to show and convey to me their respect...

**Interviewer:** Did they respect you because of your organizational role?

**Hidaka:** That could have been it... But, more importantly, you know, it’s a great accomplishment to grow older [after spending decades in the workplace] and to be in old age in that company setting. Not everyone in my age cohort survived [stayed in the company] as long as I did. In fact, many of them dropped out over the course of our careers within the company somewhere along the line... So, I was one of the veterans and survivors in the company. My organizational role and title around that time were, more or less, a result of it [this perseverance]. I think what the folks really respected was the fact that I had survived the long-term service to the company and knew everything about the business,

**Interviewer:** You said that you were an ‘older’ member of the organization... What do you think made you, or changed your self-image, from a middle-aged to an older worker?

**Hidaka:** ... Well, that was how I was treated in daily life. My bosses, younger workers, and people on the management side, they all labeled me an older worker. That was how they wanted me to act and what they wanted me to be, so I was...

**Interviewer:** But, obviously, there are generational gaps in terms of the ways people work. For instance, younger workers today assume that most of their clerical work can be, and even needs to be, done with computers. But, as you said, that was not the work style of your generation back then... If you really didn’t have the same level of computer skills that the younger ones had around that time, what was your primary role at the workplace, then? To be a good adviser or listener for younger workers?

**Hidaka:** ... My main role was... Maybe you may think of a grandpa figure in an extended family setting. Grandpa might not work as much or bring as much



income in as Dad is likely to do; a grandpa might not be very actively striving to remain productive any more. But, as you know, it's nice to have a grandpa around in the workplace. He's relaxed and insightful all because he has gone through a lot of hardships as well as success in his life. A grandpa can be a really valuable and good over-watcher of the entire organization... So, I would say that my primary role during that time was just to be a very approachable and helpful grandpa to other employees...

(Data obtained on September 18, 2008)

## **5.6. Approaching (Mandatory) 'Retirement': Internalized Ageism in Old-Age at the Workplace**

### 5.6.1. Structural contexts: Public pension reforms and institutionalized mandatory retirement at the workplace

In this section I present findings from the life story interview data of the experiences of aging as perceived by the interview participants in the *fifth phase* of the course of their working lives. This is the last phase of the interview participants' working lives directly under the lifetime employment institution (before reaching mandatory retirement age). The chronological age of most of the interview participants in this phase ranged from mid to late 50s. This phase falls roughly in the time period between the early 2000s and the late 2000s.

I refer to this last phase of the interview participants' working lives as the 'approaching retirement' phase. During this phase, none of the 52 interview participants had yet retired from their 'lifetime careers' within their organizations; they were

commonly in the process of ‘wrapping up their working lives’ within their organizations as they approached the mandatory retirement age set by their employers.

Most of the interview participants’ experiences of aging during this phase were shaped largely by the country’s institutional structures surrounding retirement - the termination of their working lives as regular employees of their ‘lifetime employment’ organizations. In this context, the two institutionalized structural factors surrounding the retirement of the interview participants consisted of: (1) *Public pension reforms* and (2) *mandatory retirement* corporate policies.

The first structural factor was a change to the age of eligibility for full benefits from the country’s public old-age pension scheme. Currently, Japan’s public pension scheme consists of two tiers: Employees’ Pension Insurance (an earnings-related pension scheme) and the National Pension Plan (the basic, flat-rate pension plan for all citizens of the country). A recent pension reform has increased the age of eligibility for full benefits from the public pension scheme from age 60 to age 65. Benefits from the first tier are still made available at around age 60, when workers retire from their ‘lifetime’ employment. However, as discussed in Chapter Two, with the passage of the 1994 revision of the 1971 *Law Concerning the Stability of Employment Opportunities for Older Persons*, the government announced a gradual increase in the minimum age for receipt of benefits from the second tier of the public pension scheme from age 60 to age 65 from the year 2001 onward (Williamson and Higo 2009).

The second structural factor within which the interview participants’ retirement was framed was employers’ implementation of mandatory retirement corporate rules. As discussed in Chapter Two, a limited number of large employers had institutionalized

mandatory retirement as a method of workforce adjustment during the interwar period (1919-1939). But, it has been in the post-war period with the thorough institutionalization of lifetime employment in the country's labor market that most employers in Japan across industries and organizational sizes have come to implement mandatory retirement rules at their workplaces. As of 2009, it is reported that about 95.3 percent of employers with more than 30 employees have implemented mandatory retirement corporate policies at their workplaces. About 92 percent of those employers have set age 60 as the age criterion for mandatory retirement (MHLW 2009). The existence of mandatory retirement rules at the workplace has created a five-year gap between when workers become eligible for the full benefits of the Employees' Pension Insurance and when they become eligible for those of the National Pension Plan. For some 'older workers,' this five-year gap has generated financial incentive or necessity to remain in the labor force beyond conventional retirement age (60) (Williamson and Higo, 2009).

The interview participants' experiences of aging in the 'approaching retirement' phase were characterized by their *internalization of ageism*. Due to the five-year gap between the ages of eligibility for the two tiers of the public pension scheme, most of the interview participants' employers began providing them with 'special assistance' aiming to secure their financial wellbeing after mandatory retirement. From most of the interview participants' perspectives, the process of 'retirement preparation' was based largely on employers' assumption that the interview participants were becoming 'burdens' on their organizations, and, as such, it was only reasonable that they now leave the ranks of the organizations' regular employees. There were at least two main consequences of this employer-initiated retirement preparation. First, most of the

interview participants confronted, accepted, and even internalized the employer-provided, *ageist label* of themselves as ‘burdens’. Second, due largely to their internalization of their being labeled ‘burdens’, most of the interview participants affirmed, rather than criticized, mandatory retirement rules at their workplaces as rational and justifiable in governing the course of their working lives.

This section presents findings from life story interview data of the interview participants’ recollections of their experiences of aging in the ‘approaching retirement’ phase of their working lives as shaped largely by the two aforementioned structural forces of public pension reforms and corporate mandatory retirement policies. In the sub-section 5.6.2., I discuss my findings of the interview participants’ experiences of being subjected to age discrimination: Being labeled as ‘burdens’ on their organizations. Next, sub-section 5.6.3 discusses the interview participants’ attitudes towards the presence of mandatory retirement rules at their workplaces. In the sub-section 5.6.4, I discuss the ways in which the interview participants developed their self-concepts as workers during this particular phase of their working lives.

#### 5.6.2. Age discrimination experiences : Labeled as burdens on the organizations

In the ‘approaching retirement’ phase of their working lives under the lifetime employment institution, most of the interview participants commonly experienced discussing with their employers – often including their General Division Managers of human resources - their options and prospects for what they could do after reaching the mandatory retirement age set by their organizations. In this context, 50 out of the 52

interview participants commonly recalled that, at some point during this phase of their working lives, they felt that they were subjected to age discrimination. They did not perceive that their employers discriminated against them with the mandatory retirement rules per se. However, the interview participants recalled that they confronted negative age stereotypes about themselves when their employers held discussions about their ‘upcoming retirement.’

Since 2000, the government has placed employers with more than 30 employees under legal obligation to make efforts to retain their employees in some capacity at least until age 65. This legal obligation may be met either through continuation of the employers’ direct employment of the workers beyond conventional mandatory retirement age – usually 60 – or by assisting workers who are approaching mandatory retirement age to find employment opportunities outside their organizations. Usually, the continued employment option entails substantial reduction of wages, work hours, and organizational status. Typically, this option also entails relocation of the workers to other, smaller workplaces, within their ‘lifetime employment’ organizations’ keiretsu networks. Outside this continued employment option, employers are obligated to refer those who are approaching mandatory retirement age to such public employment service agencies as *Hello Work* programs and *Silver Human Resource Centers* (Higo and Yamada 2009).

Under this policy framework, over the last decade most employers have opted to hold formal meetings with their employees who are in their mid and late 50s. These ‘talks’ from employers about the interview participants’ upcoming retirement not only profoundly marked their age as ‘older workers approaching retirement,’ but also defined their meaning and value as older workers within their organizations. According to the 50

interview participants' recollections, their employers more or less imposed on them their ageist stereotypes about 'old age' as 'burden, redundancy, and waste' that weigh down the rest of the workforce. 'Older workers' were depicted as those granted excessive portions of the organizations' resources relative to their actual contributions to the current and future wellbeing of their organizations. In this context, the organizations' resources included, but were not limited to, financial (wages) and symbolic (organizational roles) capital. The 50 interview participants commonly recalled that, while feeling resentful to the ageist label of 'burden' attached to them, during this 'approaching retirement' phase they came to internalize the label as part of their self-concept as members of their 'lifetime employment' organizations.

Below, I present extractions of life story interview data obtained from *Terada*, who, at the time of data collection, was aged 59 and had been employed at a private organization in the financial industry for 36 consecutive years. The organization Terada worked for was one of the largest banks in the country with a total of 18,000 employees. At the time of data collection, Terada had been an Assistant Division Manager in the service planning division of his company for about four years. Since the mid 1990s, the company had set age 60 as the mandatory retirement age for all employees across all branches throughout the country.

Terada's experience of aging during the 'approaching retirement' phase is illustrative of that of most of the 50 interview participants. Having worked for the company for 36 years, at the time of data collection, Terada was receiving the greatest amount of financial compensation, including salary and other monetary benefits, and holding the highest and most prestigious title of his career. Terada was 57 years old in

2006, when he was first invited to a special meeting organized by the human resource division of the company. At this time, Terada was stationed at one of the company's branches located in Kanagawa prefecture, a neighboring prefecture of Tokyo. Along with other invitees to the special meeting, he traveled to the company's headquarter office located in Central Tokyo. Terada recalled:

**Extraction #13:**

***Terada:*** ... My folks [his age cohort members] and I all knew that the meeting was about the latest changes made to the pension laws. We were not going to get the full benefits [from the entire public pension scheme] until at least age 65, but we all would have to 'wrap up our working lives' at age 60... So, the meeting was going to be about figuring out what we planned to do after 'hitting that point' (reaching mandatory retirement age).

***Interviewer:*** Please go on.

***Terada:*** ... That was just a few years ago... so I was 57 years old when I was first 'summoned' to that sort of meeting... I remember most other invitees were pretty much around my age or [slightly] older. We 'near-retirement older folks' were all required to attend the meeting... And, here they go, the agenda was about our retirement. The point of the meeting was... for the HR people to get a quick sense of who would need to work and who wouldn't...

***Interviewer:*** You mean, after reaching age 60, the mandatory retirement age...?

***Terada:*** Right... Well, the main implication of the legislation was that we would have to find ways to manage our financial resources after retirement [at age 60] until at least age 65. The meaning of this implication really varied from one person to another... Some folks already had very sound plans and solid financial resources to support themselves after mandatory retirement. Some of them had sufficient savings, or some had very valuable assets such as apartment buildings to rent out. But, other folks just had to keep working, including myself... The next meeting was held at the same place just a few months later. This time, only those who reported during the first meeting that they would need to keep working were invited...

***Interviewer:*** So, the second meeting was really about how the company might help you find a job after mandatory retirement?

**Terada:** ... Sort of... I will never forget how I felt at that time... We went through extensive discussions about our possible applications for government subsidy programs, such as 'Employment Continuation Benefits for the Aged.'

**Interviewer:** That's a subsidy that compensates some of the wage loss experienced by those who are rehired by the same employers after reaching mandatory retirement. Rehired 'older' employees are most likely to experience a really big wage reduction. And, if that's the case for you, you may apply for this subsidy program, which might help to bring the level of your reduced wages back up just a bit...

**Terada:** That's exactly what I am talking about. I didn't have anything in particular against this sort of subsidy program, but... the whole way in which we were treated by our employers in relation to this subsidy program was deeply upsetting... It was just clear to everyone that we were all treated as if we were handicapped or diseased people in need of special assistance to get by... We weren't like that, you know... And, even worse, our 'talk' about retirement included something related to the Silver Human Resource Center Programs... you know, that's one of the public employment service programs just for the 'really old folks' in the country... 'Silver'!!... We were already 'silver'! You know what I mean.

**Interviewer:** When you recall your feeling at that time as clearly as possible, how did you interpret the meaning of 'silver'? What did the word mean to you back then?

**Terada:** Silver is silver, you know. Silver people, silver discounts for movies, silver seats on public transportation... They all mean 'old,' 'frail,' and... 'someone who might have once been active in something but who is now completely sequestered in the middle of forest... I was really shocked and felt resentful when the HR Head guy said that he could contact the local Silver Human Resource Center offices to make some arrangements for us... That sort of program gets you just small, short-term, part-time, rather manual-level jobs. We [Terada and his age cohort] afterwards talked about this meeting, and we all said that we felt like we were about to be sent to some sort of long-term care facility for really old people, you know.

**Interviewer:** Overall, were you offended with the whole situation, I mean, the very idea that you were now really old people in the company and thus in need of such help in your near future?

**Terada:** Sure. It was ageism, or age discrimination. The message was just so clear, you know – you weren't needed any more. Or, even worse, you were becoming a big 'burden' on the company... Well, if we're speaking of our salaries and some other benefits, sure, this might have been the case [that our salaries were much higher than those of younger age groups]. But, we deserved them; we had earned



them throughout out career here [at the company]... But, now, you know, our company just couldn't keep us [Terada and his age cohort] this way any longer... We were getting a bit too expensive to retain, maybe...

(Data obtained on October 23, 2008)

### 5.6.3. Attitudes towards mandatory retirement: A necessary event over the course of the working lives

As discussed earlier, during the 'approaching retirement' phase of their working lives under the lifetime employment institution, 50 out of the 52 interview participants commonly recalled that they were subjected to age discrimination due to the ways in which their employers defined their value as members of their organizations. The 50 interview participants were not only classified as 'older workers' in relation to the other members of their organizations but they were also labeled generally as 'burdens' on the organizations.

While perceiving this treatment as a form of age discrimination, during this particular phase all 50 interview participants generally justified the 'presence' of mandatory retirement rules at their workplaces. When recalling their attitudes towards their experiences of approaching mandatory retirement age, the 50 interview participants rather strongly rationalized the imposition of mandatory retirement as natural, reasonable, and even a meaningful event in the course of their working lives. None of the 50 interview participants regarded mandatory retirement as part of their employers' practices for workforce adjustment; rather, mandatory retirement was perceived as 'their own

event’ – indeed one of the most significant events – that gave fundamental meaning to their long-term working lives.

The 50 interview participants commonly recalled that they considered mandatory retirement a ‘necessary component in their working lives.’ Mandatory retirement was a necessary benchmark for ‘phasing’ and structuring the course of their careers, which helped them to make sense of where they stood over the course of their working lives. As a major ‘event’ in their working lives, mandatory retirement also helped them ‘wrap up their working lives,’ which could otherwise have continued endlessly.

What follows are extractions of life story interview data drawn from *Uchimura*, who, at the time of the data collection, was 59 years old and had been employed at a medium-sized, private organization in the manufacturing industry for 37 consecutive years. Since its establishment in the early 1960s, this organization had manufactured stationery products and office supplies in the Tokyo area. Originally having started out with only about 300 employees, this organization had steadily grown, increasing its workforce size as well as its share of the industry’s market. At the time of data collection, Uchiyama held a lower managerial position in the marketing and consumer research division of the company.

Uchimura’s life story on his experiences of aging during the ‘approaching retirement’ phase is useful in this context. It illustrates the attitudes toward mandatory retirement held by most of the 50 interview participants during this phase of their working lives. Uchimura described his attitude towards mandatory retirement as practiced at this company during his late 50s in the following manner:

**Extract #14:**

***Uchimura:*** ... I think that we were all scheduled to leave [retire from the company] at age 60. This is what our company has done since... I guess... the mid 1990s or so.

***Interviewer:*** ... From our [the researchers'] perspective, this is so-called 'mandatory' retirement. This is a compulsory retirement rule because employers mandate that employees must retire from their career jobs at their organizations upon reaching a certain age. This is the case regardless of the employees' will or preference.

***Uchimura:*** Sure, that's the rule. That's what we 'had to do.' I see that.

***Interviewer:*** ... Didn't you ever wonder if this constitutes age-discrimination that employers force their workers to retire when they reach certain ages? Did you think that mandatory retirement was a justifiable practice?

***Uchimura:*** ... That's a hard question to answer... I remember that, when our company started 'preparing' us [Uchida and his age cohort] for our retirement a few years ago, I certainly felt like I was being put down and treated almost like an unwelcome, expensive, old, no-longer-useful elder here... But, I just can't think of what our working lives would be like without mandatory retirement... You know, people have to retire from work at some point in their lives, just like, say, graduating from school. People also have to shift their status in life from one role to another as time goes by... I just had my first grandchild a few months ago, which has changed my status from father to grandfather, you know. We all need these status changes – changes in status give meaning to our lives. That's how life goes, you know.

***Interviewer:*** So, it seems you feel a bit resentful of the way in which your company views you as an employee approaching mandatory retirement age. But, you have no problem accepting the presence of mandatory retirement at your company and in the labor market at large. Am I right?

***Uchimura:*** I think so... People have to or even want to retire from work at some point in their lives anyway so that they may move on to the next stage of their lives. You call it 'mandatory retirement,' but it's just that the employer side takes the initiative in defining when workers retire. Age 60 is the time that they [employers] define for us to retire and move on to the next stage of our lives. ...[If the employers did not mandate this for us, then] I think many older folks, including myself, would have a rather hard time [stepping down] – at some point someone has to ring the bell for us to wrap up our working lives.

***Interviewer:*** In what ways do you think older workers, including yourself, would have hard time, and why?

***Uchimura:*** ... Well, no one can stay there [in their 'lifetime employment' organizations] forever... There would be many problems if they did. First, what's going to happen to our salaries? Would employers really be able to keep raising our salaries as we stay there longer? Would that be feasible? No. What about the younger ones? If we [older workers] continued to eat up a bigger and bigger chunk of the pie [companies' labor costs], the company would have difficulties in recruiting valuable younger workers. In relation to younger workers, you know, this is perhaps most important; if we [older workers] hung around there much longer, perhaps indefinitely, it would stagnate many companies, including both businesses [private] and government [public] organizations. To remain functional, a workplace must constantly let in new knowledge, up-to-date skills, and fresh 'sense' as it lets go of older and outdated ones. That's how human society works historically everywhere, you know. Our company is just a small example of this bigger picture.

(Data obtained on October 23, 2008)

#### 5.6.4. Self-concepts as workers: Becoming 'burdens' and 'redundancies' of the workplaces

In recalling their self-esteem as members of their 'lifetime employment' organizations during this phase, 50 out of the 52 interview participants considered themselves to be on their way to becoming burdens, if not already being so, on their organizations. Most of the 50 interview participants were satisfied with the 'careers' that they had developed over the course of their working lives and considered them as 'accomplishments.' Simultaneously, when considering their future prospects within their 'lifetime employment' organizations, they believed that most of the work-related capital they had had accumulated - including skills, knowledge, and experience - were becoming inevitably obsolete. They believed that this was the case particularly in the ceaselessly

changing work environments and demands of the increasingly globalizing society and economy.

Furthermore, all 50 interview participants commonly believed that, considering their gradual obsolescence in work abilities, they had come to stand as 'expensive' members of their organizations. During the 'approaching retirement' phase, all 50 interview participants recalled, they enjoyed the greatest amount of financial compensation and the highest level of organizational roles they had ever achieved over the course of their working lives within their organizations. At this zenith of their careers, their employers initiated the labeling of the interview participants as 'burdens' on their organizations, and during this phase, all 50 interview participants came to accept and internalize this label as the basis of their self-esteem as workers within their organizations.

As for their subjective age during this particular phase of their working lives, 51 of the 52 interview participants now viewed themselves as 'old' workers. During the 'transition' phase, most interview participants had viewed themselves as on their way to becoming 'older' workers - a subjective age that they had developed by comparing themselves with chronologically younger members of their organizations. In contrast to this 'relative' subjective age, during the 'approaching retirement' phase, the 51 interview participants had now come to view themselves as 'old' in an absolute term. Without referring to other workers or comparing themselves with colleagues of different age groups, the interview participants identified themselves as 'old' workers due mainly to their own gradually declining abilities to continue contributing to their organizations.

The interview participants' *age role-identity* during the approaching retirement' phase was altruistic. All 52 interview participants recalled that they considered their

primary role within their ‘lifetime employment’ organizations as they approached retirement to be yielding their resources and opportunities to the remaining members and future new recruits of their organizations. Achieving this role included their leaving – *retiring from* – their ‘lifetime employment’ organizations or yielding their resources and opportunities to other members of their organizations as much as possible while they still remained in their organizations in one capacity or another. The interview participants believed that their ‘retirement’ or ‘semi-retirement’ would be imperative to mitigate the increasing burdens that they were putting on organizations.

*Tayama*’s recollection of his self-concept as a worker in his late 50s is illustrative of those of the 52 interview participants during the ‘approaching retirement’ phase of their working lives under the lifetime employment institution. At the time of data collection, *Tayama* was 63 years old and had been working as a post-mandatory retirement worker at a medium-sized organization in the utility industry for three years. Prior to his mandatory retirement, *Tayama* had been a ‘lifetime employment’ employee working for a large private company providing catering and restaurant services all over the country. *Tayama* retired from this organization in 2005 when he reached age 60, the mandatory retirement age set by the organization. In recalling the ways in which he viewed his value as a member of his ‘lifetime employment’ organization, his subjective age, and age role-identity, *Tayama* noted:

**Extract #15.**

***Tayama:*** The company began ‘knocking on my door’ [reminding him of his approaching the mandatory retirement age] once I turned 57 or so. First, my immediate boss in the division I belonged to at that time gathered together all of that division’s employees who were around my age. We talked a lot about potential options for our employment opportunities after age 60. Then, the

following year we participated in a bit more formal company meeting organized by the HR office. What we were told during the meeting was that, basically, the company couldn't retain us anymore after we turned age 60. The HR office people spent hours and hours to explain why they couldn't.

**Interviewer:** What were the major reasons for why the company couldn't retain you and others of your age cohort?

**Tayama:** Money, finances, expense, you know. We were at that time way too expensive to be retained even for the next five years or so... Plus, you know how the economy was going those days. They [the company] just needed to say 'good-bye' to us and 'hello' to newcomers. Newcomers are good, you know. They are young, energetic, and less expensive. Right around that time, our company – I am sure ours was not the only one through – started opening the door to young kids from China. Oh boy, they [immigrant workers from China] got paid very little but worked day and night... The company planned to fill the 'field' jobs [blue-collar jobs, e.g., direct customer service] with those kids and to keep Japanese folks just for the 'desk' jobs [white-collar jobs, e.g., management]...

**Interviewer:** Well, 'being expensive' is a relative thing. Say, even if you are paid double what Worker A gets paid, you are not necessarily expensive if your contribution is double Worker A's contribution... What did you think of your company's statement that you were getting too expensive to retain? Did you think that was true?

**Tayama:** You know... I can't speak for other folks at all. But, just to me, yeah, maybe, I believed that was the case...

**Interviewer:** What made you agree with your company's message?

**Tayama:** I don't know if I was forced to believe that I was becoming too expensive to be retained at the company. I think, somewhere in my own mind I had already viewed myself as becoming a burden on the company around that time. For one thing, I knew my salary was one of the highest among the employees due to, you know, my age. And, you talked about 'contributions' to the company, but that's quite difficult to measure... How could I tell whether I was making a greater contribution than other, younger workers? And, how was I supposed to know if my 'contributions' really deserved my salary?

**Interviewer:** That's true... There are many different ways to assess one's 'contributions,' if you ask me.

**Tayama:** Right? Also, I was simply facing the reality that I was an old man. I am not saying that I was old just because pretty much all the rest of the members of the company were younger than I was. But, I was just too old to keep up with the changing environments surrounding us in those days... The way I got things done,

the way I was used to working with my subordinates, the way I tried to avoid mistakes... just everything... I thought these were all too outdated to be maintained in today's workplace, work culture, business, and everything. I was just an old man, you know. I was no longer just an older employee, but I was simply an old man in this economy.

**Interviewer:** So, you are saying that regardless your chronological age around that time you believed that you lagged behind the practices of current work environments...

**Tayama:** That's right... So, I thought that... I know it might sound too sarcastic... but, I needed to step down from where I was, what I was, and what I had been entitled to at the company. Since in our company retirement was mandated at age 60, sure, I needed to leave. That's was the right thing to do for my co-workers who were in their 30s and 40s and for the company as a whole. Let the old air out, and let fresh air in... That's what most of the company's rivals [other competitive restaurant companies] had been doing, too...

(Data obtained on October 23, 2008)

## **5.7. Discussion: Social Construction of Older Workers within Lifetime Employment**

### 5.7.1. Summary of the findings: Pre-mandatory retirement experiences of aging

This dissertation research asks: *How individuals experience aging over the course of their working lives under the influence of the institution of lifetime employment in Japan?* In Chapter Five, I have presented my analysis of the life story interview data drawn from the 52 interview participants of their experiences of aging directly under the lifetime employment institution. In other words, Chapter Five focuses on the experiences of aging as perceived by lifetime employment workers until they reached mandatory retirement age (mostly, age 60).



This chapter describes how the interview participants had experienced the following three age-related areas of working lives over the course of their working lives: (1) *perceived instances of being subject to age discrimination*; (2) *their attitudes towards the age discrimination experiences*, and (3) *their self-concepts as workers*. **Table 20** presents a summary of my findings for each of the three areas of age-related experiences are as follows:

**[Table 20 goes about here]**

(1) Perceived instances of being subject to age discrimination:

Directly under the life time employment institution, *most of the 52 interview participants had been constantly subject to age discrimination since the very beginning of their working lives directly under the lifetime employment institution*. The most commonly experienced age discrimination instance during the first phase of their working lives (aged between 18 and 26) was the confrontation with the presence of rigorous *age barriers* to entering into their ‘lifetime employment’ organizations. The interview participants most commonly experienced the intergenerational inequality in financial compensation during the second phase (aged between the early 20s and the early 30s). During the third phase (aged between early 30s and early 40s), the interview participants typically were under strong pressures to ‘align’ their chronological age and tenure with their organizational roles. The most commonly perceived age discrimination instance during the fourth phase (age between the late 40s and the late 50s) was the age barriers to continuously receiving employer-provided training and education opportunities. Finally, during the fifth phase (aged between the mid 50s and the late 50s),

the interview participants typically confronted with negative age stereotypes as they were approaching retirement age. When discussing their 'upcoming retirement' with their employers, most of the interview participants realized that they were labeled as 'burdens' by their organizations due mainly to their obsolescence in work-related skills, knowledge, and even lifestyles.

(2) Attitudes towards the age discrimination experiences:

*While they were directly under the lifetime employment institution (before reaching mandatory retirement age), most of the 52 interview participants had ultimately justified the age discrimination instance that they had commonly confronted in each of the five phases of their working lives.* While perceiving most of the instances of being subject to age discrimination as somewhat harmful, overall, they had maintained positive attitudes towards those instances fundamentally as rational, justifiable, and even 'natural' part of the realities of their working lives.

(3) Self-concepts as workers:

From one phase to the next phase of their working lives, *most of the 52 interview participants had changed the three dimensions of their self-concepts as workers.* Briefly, their self-esteem was low as they saw themselves as valueless as newcomers to their lifetime employment workplaces. They gradually viewed themselves valuable as they aged. Finally, they lowered their self-esteem again as they approached mandatory retirement. Their subjective age had changed from 'very young,' through 'middle-aged,' and to 'older.' The common expressions that the participants used to recall their age role identities show a general pattern that their roles moved from those of learner, to contributor, then mentor, and moving on to retirement.

### 5.7.2. Structural factors shaping the pre-mandatory experiences of aging: Lifetime employment as age-based social control mechanism

As discussed in Chapter Three, the literature of sociology of aging and the life course often defines society at large and national labor market institutions in particular as a set of *age-based social control mechanisms* (Quadagno and Reid 1999). As a set of structural forces, a labor market institution plays a key role in structuring the course of working lives, which individuals are expected to follow. In this context, age is often used a primary tool to control individuals' perceptions and behaviors and organize the course of their working lives. A labor market institution facilitates individuals' transitions from one life stage to the next over the course of their lives by requiring that individuals experience the general order of major *life events* as they move from one stage of life to another and transform their self-concepts and change their perspectives on their life experiences (Elder 1985; Marshall 2007).

Based on a social constructionist perspective, this dissertation research has explored pre-mandatory retirement experiences of aging directly under the institution of lifetime employment in Japan. Based on the knowledge drawn from the literature, the lifetime employment institution is understood as a set of age-based social control mechanisms. My findings from the life story interviews have helped uncover how the institution, as a set of social structures, controls and organizes individuals' perceptions and behaviors over the course of their working lives (until reaching mandatory retirement age).

Based on my findings, I argue that the lifetime employment institution in Japan is a powerful age-based control mechanism used to shape workers' behaviors and perceptions over the course of their working lives. As a set of social structures, the lifetime employment institution in Japan consists of a variety of structural components including trends in national economy, labor laws, corporate policies, and employers' institutionalized human resource management practices. My analysis has suggested that the interview participants' experiences of aging had been powerfully influenced and shaped by these structural contexts. I have analyzed data drawn from a sample of 52 lifetime employment workers who were born between the years of 1936 and 1953. It can be argued that *the sample of this dissertation research had commonly experienced aging as workers in parallel to the development of lifetime employment as the foundational national labor market institution in Japan*. What follows are three sets of arguments that I have developed based on my analysis of the life story interview data drawn from the 52 lifetime employment interview participants:

(1) *Perceived instances of being subject to age discrimination as the experiences of confronting structural forces of 'age-grading' under the lifetime employment institution.*

This chapter has discussed the following five instances of age discrimination experiences, which were most commonly experienced by the interview participants. The interview participants experienced these five instances of age discrimination in the following chronological order over the course of their working lives:

- *Confronting the presence of age barriers for hiring:* Between the late 1950s and the mid 1970s (the first phase);

- *Perceived intergenerational wage inequalities*: Between the early 1970s and the early 1980s (the second phase);
- *Increasing pressures to keep up with 'age-appropriate' organizational roles*: Between the mid 1980s and the early 1990s (the third phase);
- *Age barriers to continuously receiving workplace-based training and education opportunities*: Between the mid 1990s and the early 2000s (the fourth phase); and
- *Labeled as 'burdens' on their organizations*: Between the early 2000s and the late 2000s (the fifth phase).

Between the late 1950s and the mid 1970s, the national economy experienced an unprecedented growth. The national workforce was rapidly expanding, and lifetime employment was gradually solidified particularly among large organizations. Employers had already institutionalized the use of *periodic hiring of new school graduates* as the method for recruiting their core workforces. These structural forces generated *upper age limits for hiring* in the labor market, which most of the interview participants (aged between 18 and 26) had experienced confronting when entering their 'lifetime employment' organizations. This particular employer practice stood as a broad structural force of inclusion and exclusion for the interview participants' employment opportunities in the future. I argue that it was through employers' use of upper age limits for hiring that the lifetime employment institution as a social structure exercised its structural forces of *age-grading*. In this particular instance, the lifetime employment institution conducted *age-grading* by marking their age through *rites of passage* (see, Goffman 1963; Nelson 2007). As a social structure, the lifetime employment institution uses this particular rite of passage to instruct individuals on the 'appropriate age' to enter the institution. This

particular rite of passage made most interview participants self-conscious about their chronological age and shaped their perception that they were just young enough to fit into the existing labor market institution of lifetime employment.

Between the early 1970s and the early 1980s, generally, the major historical event during this time period was the ‘Oil Crisis’ and its aftermath. Despite the economic pressure to downsize the workforce, the government placed employers under pressure not to dismiss workers. Simultaneously, employers found themselves under pressure to achieve long-term organizational growth and productivity. In order to continuously institutionalize their use of long-term, in-company human capital investments, employers found it necessary to maintain the seniority-based wage systems (Gordon 1985, 1998; Ono 2007). These structural conditions led the interview participants to perceive that they experienced intergenerational wage inequalities. Due primarily to their age (and tenure), while expected to work harder, they received substantially lower amounts of compensation than older colleagues. This particular instance of age discrimination can be interpreted as their experiences of confronting structural forces of *age-grading* under the lifetime employment institution; the interview participants were instructed about their ‘age-appropriate’ roles, duties, and expectations (e.g., frontline troops).

Between the mid 1980s and the early 1990s, the national economy observed the rise and prevalence of the ‘bubble economy.’ Ever increasing market demands pressured employers to further expand their workforce. In this context, employers fully institutionalized the use of *age-based promotion systems*. By rendering age (and thus tenure) the core criterion for promotion opportunities, employers aimed to retain their workers ‘lifetime.’ These structural conditions pressured the interview participants (aged

between early 30s and early 40s) – in their ‘mid-age’ by this time – to keep up with their “age-appropriate” organizational roles as they aged. The interview participants were intensively facing social structural forces of age-grading, which define ‘age-appropriate’ roles and social statuses that individuals are expected to comply with when they move from one life stage to another (Neugarten, Moore, and Lowe 1968). They were also confronting potential sanctions for being ‘off-time’ in the structurally expected transitions of their roles and social statuses within their organizations. The interview participants’ efforts to keep up with their age-appropriate organizational roles can also be seen as an act aiming to “pass” in Goffman’s (1963) term. “Passing” refers to individuals’ acts aiming to avoid potential stigmatization resulting from failing to maintain roles, statuses, and duties expected by others surrounding individuals’ daily life social interaction (Goffman 1963). In this context, the interview participants’ efforts to keep matching their chronological ages and what are considered age-appropriate organizational roles at their organizations can be understood as their attempt avoid potential embarrassment resulting from failing to maintain age-appropriate promotions.

Between the mid 1990s and the early 2000s, the most significant event in the national economy was the burst of the ‘bubble economy.’ The end of the country’s unparalleled economic prosperity shaped employers’ view toward their older workers. They had come to view older workers as those who did not deserved any further workplace resources to update their work-related human capital. Under these structural conditions, the interview participants (at the time, their age ranged from the late 40s to the late 50s) experienced that, due to their age, their employers stopped providing them with workplace-based resources to update their work-related skills and knowledge. They

commonly experienced being excluded from employer-provided training and education opportunities to learn computer technologies at the workplace. This particular instance can be understood as an important *marker of their age* – Contending with age barriers to continuously receiving workplace-based resources for *long-term in-company human capital investments* marked their age and facilitated their transition to the social status of ‘older worker’ in their organizations.

Between the early 2000s and the late 2000s, as the most significant structural conditions surrounding the interview participants’ working lives, both public policy and employers had already generated post-mandatory retirement workforce in the country’s labor market. While aiming to secure employment opportunities beyond conventional retirement age (mostly age 60), the government had continually affirmed employers’ practice of age-based mandatory retirement. In other words, age 60 had been fully rendered as the threshold into the post-mandatory retirement life. When discussing with their employers about their ‘upcoming retirement,’ most of the interview participants (at the time aged between the mid 50s and the late 50s) realized that they were labeled as ‘burdens’ on their organizations due mainly to the obsolescence of their work-related skills, knowledge, and even lifestyles. As a structural force, the lifetime employment institution powerfully facilitated the interview participants’ acceptance of, compliance with, and internalization of age norms surrounding ‘reaching age 60’ as a significant life event to move onto the next stage of their life course.

(2) *Unchanging affirmative attitudes towards age discrimination experiences as shaped by the institutional forces of lifetime employment*



As Levine (1999) notes, national employment institutions may also powerfully shape individual workers' attitudes toward their age discrimination experiences. From a social constructionist perspective, workers' attitudes often reflect the ways in which a labor market institution shapes their perceptions and behaviors over an extended period of time (Hendricks 2006). The findings from the life story interview data from the 52 interview participants have suggested the following two tendencies: First, overall, the interview participants had maintained affirmative attitudes toward their life course experiences of age discrimination. This finding suggests that, as an age-based social control mechanism, the lifetime employment institution powerfully shaped their perceptions – their views and interpretations of their experiences related to age discrimination. Second, as briefly described below, my findings had contributed to uncovering the ways in which the lifetime employment institution had shaped their attitudes over the course of their working lives.

Most interview participants viewed *age barriers to hiring* primarily as an important organizer necessary for their own future social interactions – which are hierarchically organized based on age (and thus tenure) – within their 'lifetime employment' organizations. Both *seniority-based compensation and promotion systems* were justified on the basis that these systems functioned primarily as a great equalizer of work-related organizational resource distribution among workers over the course of their working lives. The termination of their employers' *long-term in-company human resource investments* in them were viewed essentially as their graduation from the learning period in their career, rather than derogatory practices against them because of their age. Most of the interview participants justified their employers' practices of age-

based mandatory retirement. They recalled that they did so on the ground that the event of (mandatory) retirement was a necessary benchmark for structuring the course of their careers and ‘phasing’ the careers, which helped them make sense of where they stood over the course of their working lives.

*(3) Changes to self-concepts as workers as guided by the lifetime employment institution as an age-based social control mechanism*

Changes to individuals’ self-concepts are the major effects of, and simultaneously, the main tool for, society to facilitate, control, and organize their life course transitions (Bowling 2005). Social structural forces impact individuals’ inward *self-concept* as society facilitates individuals’ transitions from one life stage to another by age-grading. Individuals’ self-concepts as workers are continually subject to change due to the impact of national employment institutions. In controlling individuals’ transitions within the labor market, national employment institutions also define and denote meanings to each phase in the course of individuals’ working lives (Hendricks 2006; Morgan and Kunkel 2006). Individual workers in turn internalize such institutional influences into the ways in which they construct and change their self-identities, labor market behaviors, and their interpretations of their working life experiences at large.

5.7.3. Social construction of ‘older workers’ within the institution of lifetime employment in Japan

I argue that my analysis from the life story interview data from the 52 interview participants suggest the following two findings: First, resonating with the literature, the

lifetime employment institution in Japan gradually and yet constantly changed the interview participants' self concepts as they aged. As an age-based social control mechanism, the institution shapes, controls, and even changes individuals' self-concepts as they move from one stage to the next over the course of their working lives. Second, as summarized below, my analysis of the life story interview data also contributed to uncovering how these changes had been made over time.

At the beginning of the course of their working lives under the lifetime employment institution, the interview participants commonly had very low self-esteem as workers, felt that they were very young, and considered their primary roles in their organizations to be apprentices, who needed to learn how to be valuable to their organizations. As they grew older under the institution, they had gradually developed their self-esteem to be functional and thus valuable members of their organizations. During these transitions, they gradually felt growing older, more mature, and experienced. As they felt aging, they had also gradually viewed themselves to be more responsible for mentoring younger workers in their organizations. As they approached mandatory retirement age, not only did they confront the label of 'older workers' as 'burdens' on their organizations, but they also accepted and internalized the label as the core element of their self-concepts.

*(1) The experiences of aging directly under the lifetime employment institution in Japan resonate with the sociological argument of the social construction of 'older worker' thesis.*

First, I argue that *the findings from the interview participants' experiences of aging directly under the lifetime employment institution in Japan resonate with the sociological argument of the social construction of 'older workers' thesis*. As discussed in Chapter Three, sociologists of aging and the life course has long argued that labor market institutions in industrialized societies, those of the Anglo-Saxon countries in particular, have socially constructed 'older workers' as a segment of the workforce who are soon to be pushed out of the workforce (Costa 1998; Walker 1999). Once categorized as older workers, individuals are expected to move onto the 'retirement' phase of their life course. Construction of 'older workers' plays a role both on the workplace level and in the labor market at large. In the workplace, it contributes to relieving employers' financial pressures associated with retaining their workers who have served them for an extended period of time. In the labor market at large, it helps reduce unemployment rates among younger job seekers (Phillipson 1998, 2004; Quadagno and Reid 1999; Settersten 2006).

Social construction of 'older workers' involves individuals' unconscious or habitual acceptance of this structurally labeled social status as the core of their self-concept (Hendricks 2006). Often through public policy and employer practices, as a set of social structural forces, labor market institutions push individuals out of the labor force in later-life by devaluing their roles and social status as workers (Vincent 1995; Walker 1999). Labor market institutions often gradually shift individuals' roles from being economically active, productive, and independent to being economically inactive, unproductive, and thus dependent over the course of their working lives (Walker 2005). As they grow older, individuals are apt to gradually conform to and accept the

structurally defined status of *older worker*. A main meaning attached to this social status and to the self-concepts of ‘older worker’ is that workers in this category are primarily burdens on their workplaces, organizations, and society at large (Vincent 1995).

My analysis of the life story interview data on 52 individuals’ experiences of aging directly under the lifetime employment institution has largely confirmed the general premise of the sociological argument of the *social construction of ‘older workers’* thesis. As they aged, most of the interview participants recalled that they had come to view themselves as ‘older workers.’ When approaching mandatory retirement, they began viewing themselves as ‘burdens’ on other members of their workplaces and organizations at large. As my analysis presented in this chapter shows, they had even come to believe that they deserve to leave their long-term careers – retirement from their ‘lifetime’ careers – for the sake of the well-being of their ‘lifetime employment’ organizations. Reflecting a variety of age-centric corporate policies and institutionalized employer practices, the interview participants had accepted their experiences of aging, including their self-concept as ‘older workers’ and the presence of mandatory retirement at their workplaces – as natural, taken-for-granted, and thus justifiable social realities.

*(2) Uncovering the social process through which workers become ‘older workers’ under the institution of life time employment.*

This dissertation research aims to explore, from the workers’ perspectives, how individuals experience aging directly under the lifetime employment institution. In addition to suggesting that my findings resonate with the social construction of older workers thesis, I argue that my dissertation research has contributed to uncovering how

*older workers* have been socially constructed under the institution of lifetime employment in Japan. My analysis illustrates the individuals' experiences of aging directly under the lifetime employment institution and contributes to our understanding of social construction of 'older workers' and 'retirement' in the context of the lifetime employment institution in Japan.

As discussed in subsection 5.5.3 (Attitudes towards Exclusion from Job-Training: Exclusion as 'Graduation' from the Learning Period), the interview participants' employers terminated the provision of *long-term in-company human resource investments* in them because of the age (and thus tenure). The interview participants experienced this particular instance as a confrontation with age barriers to receiving workplace-based training and education that they had long continuously received since they entered their 'lifetime employment' organizations. As my analysis suggests, the interview participants commonly viewed this age barrier essentially as their graduation from the learning period in their career, rather than derogatory practices against them because of their age. They commonly understood that they no longer deserve further human capital investment due to the skill and knowledge obsolescence. In other words, they accepted this age-grading structural force and complied with the structurally defined social status of those who were becoming 'older workers.'

As discussed in subsection 5.6.4. (Becoming a 'Burden' on the Company: 'I Am No Longer Just Older – I'm [Really] Old'), when aged between the mid 50s and the late 50s, most of the interview participants had come to view themselves as older workers who deserve to leave their "lifetime" workplaces mainly because of their decline in value as members of their workplaces.

Public policy and employers, together had already created post-mandatory retirement workforce in the country's labor market. The government aims primarily to secure or promote employment opportunities beyond conventional retirement age (mostly age 60). However, this effort has entailed its continuous affirmation of employers' practice of age-based mandatory retirement. In other words, age 60 had been fully rendered as the threshold into the post-mandatory retirement life. As a structural force, the lifetime employment institution powerfully facilitated the interview participants' acceptance of, compliance with, and internalization of age norm surrounding 'reaching age 60' as a significant life event to move onto the next stage of their life course. As they were growing older, they had gradually devaluated their roles as members of their organizations, accepting a degrading view of older workers. When discussing their 'upcoming retirement' with their employers, most of the interview participants realized that they were labeled as 'burdens' or 'excess' of their organizations due mainly to the obsolescence in their work-related skills, knowledge, and even work styles.

I argue that, as workers approached mandatory retirement age, not only did they confront the label of 'older workers' as 'burdens' on their organizations, but they also accepted and even internalized the label as the core element of their self-concepts. The interview participants had commonly come to view themselves as obsolete and burdensome members of their organizations and believed that they deserved leaving their 'lifetime employment' organizations for the sake of their employers and other, younger workers. They had also gradually lowered their self-esteem as workers, changed their role priorities (identities) based on their lowered self-esteem, and identified themselves as

older workers who are ready to move on to the next phase of life – life after mandatory retirement.

*(3) Helping explain how mandatory retirement still exists in the contemporary labor market in Japan (in contrast to the Anglo-Saxon labor market model).*

The construction of ‘older workers’ in the case of the national labor market institution in Japan does not only indicate that (mandatory) retirement has been firmly institutionalized, it also helps explain why mandatory retirement rules are still widely in effect in most workplaces in Japan, whereas such rules have been largely abolished in the Anglo-Saxon national contexts.

As they grow older, individuals come to conform to and accept the structurally imposed label of *older workers* and internalize the associated meaning of this label – becoming burdens on their organizations, deserving to retire from their lifetime careers. Due largely to this powerfully constructed social status and self-concept as ‘older workers,’ most individuals under the lifetime employment institution in Japan have come to unconsciously or habitually accept the employer practice of mandatory retirement as a taken-for-granted social reality surrounding their later working lives. When approaching the mandatory retirement age, as my analysis suggests, most of the interview participants justified their employers’ practices of age-based mandatory retirement. They commonly believed that the event of (mandatory) retirement was a necessary benchmark for structuring the course of their careers and ‘phasing out’ the (lifetime) careers and ‘phasing’ the course of their working lives. From the pre-mandatory retirement



perspective, mandatory retirement helps workers make sense of where they stood over the course of their working lives.

The lifetime employment institution and pre-mandatory retirement workers together socially construct the notion of *older workers* at workplaces and in society at large. *Older workers* in society – at the workplace and in the labor market – are a *social construct* whereby national employment institutions as social structural forces shape the social status of older workers in the labor market.

## **CHAPTER SIX:**

### **POST-MANDATORY RETIREMENT WORKERS' PERSPECTIVES:**

#### **CRITICAL RE-EVALUATIONS OF LIFETIME EMPLOYMENT**

##### **6.1. Synopsis of CHAPTER SIX**

How do individuals experience aging as workers after being systematically excluded from the lifetime employment institution due to mandatory retirement? Based on the life story interview data drawn from a sample of 23 post-mandatory retirement workers, this chapter discusses the interview participants' experiences of aging from the time when they reached age 60 – the mandatory retirement age – until the time of the data collection.

This timeline corresponds to the time period ranging from the late 1990s to the late 2000s, during which the youngest and oldest ages of the participants were 60 and 68, respectively. This time period roughly corresponds to the time during which public policy and employers institutionalized 'post-mandatory retirement' work as part of the course of working lives for many older workers in the country's labor market. This chapter includes analysis of the experiences of aging as perceived by two categories of post-mandatory retirement workers that the current institutional arrangement of the labor market has generated: 'rehired' workers and 'job market returnee' workers.

*Experiences of being subjected to age discrimination after exiting the lifetime employment institution:* Both categories of post-mandatory retirement interview participants constantly contended with severe and blatant age discrimination. All the participants had been systematically demoted from *regular* to *non-regular* employment

status. Due to a meaning of ‘peripheral’ or ‘secondary’ attached to workers’ ‘non-regular’ employment status, all the participants experienced social marginalization and stigmatization in their post-mandatory retirement working lives. More specifically:

1. *The case of the ‘rehired’ post-mandatory retirement workers* (between ages 60 and 67): Although they remained in their ‘lifetime employment’ organizations (or within the organizations’ networks), they commonly experienced being thoroughly excluded from a variety of privileges, particularly in terms of the level of their financial compensation and organizational roles that they had enjoyed before reaching the mandatory retirement age.

2. *The case of the ‘job market returnee’ post-mandatory retirement workers* (between ages 61 and 68): Stigmatized as being ‘too old’ to be worth investing in to further develop or update their human capital, they commonly confronted institutional age barriers to accessing opportunities or resources for updating, enhancing, or newly acquiring work-related human capital.

*Attitudes towards the age discrimination experiences:* Since their mandatory retirement, both categories of post-mandatory retirement interview participants had drastically altered their attitudes towards the age discrimination experiences that they went through over the course of their working lives. In contrast to their own pre-mandatory retirement perspectives, their post-mandatory retirement perspectives were that the lifetime employment institution is a fundamentally irrational and thus unjustifiable ageist social control mechanism. The institution of lifetime employment was reevaluated in a new light as eventually dooming workers to be disposed of in later life as a result of employers’ ceaseless search for greater organizational vitality and efficiency.

*Self-concepts as workers:* Both categories of post-mandatory retirement interview participants also experienced drastic changes in their self-concepts as workers after their mandatory retirement. Having dissociated themselves from their internalized ageism, the participants commonly came to believe that they were not ‘too old’ to remain productive as workers and that their long-term, seasoned work experiences were valuable assets that would enable them to make contributions to their post-mandatory retirement workplaces.

These findings have contributed to uncovering the ways in which the lifetime employment institution re-shapes individuals’ experiences of aging after they exit the institutional influences of lifetime employment. As an age-based social control mechanism, the lifetime employment institution homogenizes, standardizes, and formalizes workers’ perceptions and behaviors over time while they are under the direct institutional influences. However, after exiting the direct influences of the institutional framework, the participants commonly acquired a new, critical perspective towards the purpose of the lifetime employment institution. I argue that the participants critically viewed the lifetime employment institution as a ‘total institution’ (Goffman 1961). The structural demotion and marginalization of the participants’ post-mandatory retirement working lives placed the participants in an ‘outsider-within’ status (Collins 1990, 1996) within the country’s labor market. I argue that this particular social position has enabled the participants to discern the totality of the goals and mechanisms of the lifetime employment institution, which they could not discern while working directly under the institutional influence. Based on the post-mandatory retirement workers’ critical perspectives, I argue that the lifetime employment institution is a form of age-based ‘total institution’ (Goffman 1961) found in the domain of work and employment in the contemporary labor market of Japan.

## **6.2. 'Rehired' Post-Mandatory Retirement Worker: Social Marginalization and Exclusion 'within' Lifetime Employment**

### 6.2.1. Structural contexts: 'Old-age' labor market interventions and demotion of 'rehired' workers

This section presents findings from the life story interview data of the experiences of aging as perceived by the interview participants who had been 'rehired' shortly after they 'exited' the lifetime employment institution in Japan. During the time period between 2002 and 2008, 12 out of the 23 post-mandatory retirement workers who participated in the life story interviews had been rehired by their 'lifetime employment' organizations after reaching mandatory retirement age. In this context, the 'rehired' interview participants were no longer directly under the institution of lifetime employment – they had been forced to 'retire' from their 'lifetime' careers within their 'lifetime employment' organizations and were no longer part of their employers' core workforce, namely, regular employees. At the time of the data collection, the chronological age of this category of the post-mandatorily-retired interview participants ranged from 60 to 68.

Since mandatory retirement, the 'rehired' interview participants had characteristically experienced substantial exclusion from the pre-mandatory retirement features of the institution of lifetime employment, even though they were still employed within their 'lifetime employment' organizations. The interview participants experienced

exclusion from the institutional framework most plainly through their experiences of *dramatic demotion*; in their work conditions, including their financial compensation and organizational roles, they were all unconditionally demoted, rather than being rehired to the same work positions and conditions as before their retirement or even promoted.

The interview participants recalled that *these demotion experiences* served to marginalize them within their ‘lifetime employment’ organizations in terms of both their physical work locations and their roles in relation to other, core workforce members of the organizations. The interview participants’ demotion from regular to non-regular employee status in their ‘rehired’ capacity commonly led them to re-evaluate the mandatory retirement rules at their organizations. Since being demoted to marginalized, non-regular workforce members within their ‘lifetime employment’ organizations, they had begun critically viewing their employers’ practices of mandatory retirement as irrational and unjustifiable age discrimination practices.

The demotion experiences also commonly facilitated the interview participants’ ‘re-socialization’ processes out of lifetime employment as a social institution. Their demoted work conditions temporarily degraded their self-concepts as workers, but then quickly led most of them to reevaluate themselves positively as workers. The interview participants commonly viewed themselves as ‘outsiders within’ their ‘lifetime employment’ organizations, who had critically dissociated themselves from negative ageist stereotypes and labels attached to them and had resisted accepting such stereotypes and labels as part of their self-concepts.

From most of the ‘rehired’ interview participants’ perspectives, their experiences of aging after mandatory retirement were shaped mainly by two structural factors: (1) *The*

*government's labor market intervention* aiming to promote employment beyond conventional retirement age and (2) employers' human resource management practices in *dramatically demoting the work conditions of their 'rehired' employees*.

The first structural factor was the role the national government indirectly played in the creation of the demotion practices that the 'rehired' interview participants experienced in their post-mandatory retirement working lives. As discussed extensively in Chapter Two, particularly over roughly the last decade, the government has thoroughly intervened in the labor market specifically for the purpose of promoting older workers' continued employment beyond conventional retirement age. In this context, since 2004 the government has mandated that employers gradually increase the age criteria set for mandatory retirement from age 60 to 65 by 2013.

To date, the effect of this policy requirement on employers has remained minimal. While placing employers under pressure to comply with the requirement, the government has simultaneously acknowledged the mounting pressure facing many employers, particularly large ones, to reduce human resource costs. To most large employers, reducing such costs is imperative to maintaining organizational vitality in the wake of a prolonged economic recession that the country has been experiencing since the early 1990s – the beginning of the 'lost decade.' Thus, the government has provided employers with the option of practicing 'rehiring,' by which employers may once terminate those employees who have reached mandatory retirement age and then re-employ them at the same workplaces or somewhere within their *keiretsu* networks at least up to age 65. Rather than forcing employers to continue employing workers beyond age 60 without changing their work conditions, the 'rehiring' option has provided employers a

considerable degree of discretion in determining and changing the work conditions of their ‘rehired’ employees. Furthermore, the ‘rehiring’ option does not mandate that employers unconditionally guarantee secure employment of older workers until age 65. Rather, this option merely requests that employers introduce measures aiming to provide their older workers with opportunities to remain employed at least until age 65.

The second structural factor shaping the post-mandatory retirement workers’ experiences of aging was employers’ active utilization of the discretion that the current policy arrangements have provided for them. In exchange for conducting rehiring, the vast majority of employers in Japan today, including those of the 12 interview participants, have fully exercised their discretion in changing the terms of employment for those who choose to be re-employed in their workplaces after reaching mandatory retirement age. Employers commonly downgrade the status of their ‘rehired’ post-mandatory retirement workers from regular to non-regular employees (e.g., temporary or part-time positions) with significantly reduced wages and benefits. With this arrangement, employers may change an employee’s wages, employment status, work schedule, job contents, and even workplace (transfers within employer’s business networks).

This section presents findings from the life story interview data of the 12 interview participants’ recollections of their experiences of aging as shaped largely by the two structural factors just described. This section is organized as follows: In the sub-section 6.2.2, I discuss my findings of the interview participants’ experiences of being subjected to age discrimination: Being demoted in their work conditions as they were downgraded from ‘regular’ to ‘non-regular’ employment status within their ‘lifetime employment’ institutions. The next sub-section - 6.2.3 – discusses the interview



participants' attitudes towards these demotion experiences. The sub-section 6.2.4 discusses how the interview participants developed their self-concepts as workers within their 'lifetime employment' organizations after reaching mandatory retirement age.

#### 6.2.2. Age discrimination experiences: Demotion and marginalization within the 'lifetime employment' organizations

All 12 interview participants whose experiences are examined herein recalled that they had experienced being subjected to blatant age discrimination in a variety of areas of their working lives since being rehired by their employers after mandatory retirement. The interview participants experienced age discrimination most commonly in two areas of their 'rehired' working lives within their 'lifetime employment' organizations.

The first area was in their financial compensation and organizational roles, and the second had to do with conditions such as their work locations and intergenerational workplace human relationships. According to most of the interview participants' recollections, they had anticipated that they would experience discriminatory treatment in the first area. However, the age discrimination experiences in the second area struck them largely off-guard; they did not anticipate that they would go through discriminatory treatment in choosing their work locations and in interacting with workers of different generations.

The 12 interview participants recalled that they were deeply upset – some were even very angry – when their employers first informed them about their prospective wages (or salaries) and their new employment status as 'rehired' workers. They had been

formally forewarned by their employers to some extent prior to their mandatory retirement about prospective substantial reductions of their wages (or salaries) and work hours and downgrades to their organizational roles. Communication with their seniors who had already mandatorily retired and been rehired within the same organizations had also informed them somewhat of what to expect. Nonetheless, the reductions and downgrades were more dramatic than they had anticipated. Half of the 12 interview participants experienced salary reductions of as much as 60 percent of their pre-mandatory retirement salaries. Other than mandatory healthcare benefits, none of the 12 interview participants received any other financial compensation such as annual bonuses, housing benefits, or employer-provided private pension plans.

All 12 interview participants were re-employed on part-time basis, and 11 of them were on fixed-term employment contracts, which required that they renew their employment contracts on an annual basis. Only 3 out of the 12 interview participants specifically desired to be part-time employees despite the impact on their prospective wages (or salaries). None of the 12 interview participants desired to be re-employed on annual contract basis.

As for the second area of age discrimination experiences related to work conditions, 9 out of the 12 interview participants recalled that they were treated unfairly in terms of their new work locations. These 9 interview participants were dislocated from the workplaces where they had spent at least the last three years of their working lives before reaching mandatory retirement age. They were transferred to workplaces that were within their 'lifetime employment' employers' *keiretsu* networks. The new workplaces were substantially smaller in terms of their workforce sizes, and they were all subsidiaries

of their ‘lifetime employment’ organizations. The 9 interview participants recalled that their employers unilaterally selected their new work locations for them without asking for their preferences or requests.

11 out of the 12 interview participants also recalled that they went through age discrimination experiences in the area of intergenerational human interactions. After being demoted from regular to non-regular employment status, the interview participants worked under supervisors who were substantially younger than they were. From the 11 interview participants’ perspectives, their supervisors commonly had ‘younger bosses vs. older workers’ dilemmas. These dilemmas kept the younger supervisors from establishing trustworthy human relationships at the workplace with the interview participants. The interview participants commonly experienced that at some point during their ‘rehired’ working lives they were not provided appropriate access to communication with their ‘younger bosses.’

What follows are extractions of life story interview data drawn from Ogawa, who, at the time of the data collection, was aged 65 and had been re-employed by his ‘lifetime employer’ as a post-mandatory retirement worker for about five years. For 37 consecutive years Ogawa had worked for a semi-public organization in the transportation industrial sector. In 2003, he reached the organization’s mandatory retirement age of 60. About a year before his mandatory retirement he formally requested that the organization re-hire him immediately after his reaching age 60.

The organization terminated Ogawa’s ‘lifetime employment’ contract in March 2003 and rehired him in April of the same year. At the time of data collection, Ogawa was stationed at a small, private travel agency, which was one of the large numbers of de

facto subsidiaries of the public transportation company he had worked for during his 'lifetime career.' At the travel agency, Ogawa worked only two days a week and undertook repetitive clerical jobs.

Ogawa's experiences of age discrimination since his mandatory retirement are illustrative of most of the 12 interview participants' experiences of aging after being 'rehired' by their 'lifetime employment' organizations. Ogawa recalled his demotion and marginalization experiences as a 'rehired' post-mandatory retirement worker in the following manner:

**Extract #16:**

***Ogawa:*** ... Before my terms of employment in this new workplace were clarified, the head of the human resource division of my former organization kept telling me that his division would do its best to help me find a new job that would provide me with at least 75 percent of the salary I had been receiving for some years before my [mandatory] retirement. Of course, my organizational role would be significantly demoted, and no fancy benefits would likely be available. That would be fine as long as I could get somewhere around 75 percent of what I used to earn... But, then, once my new workplace was determined just a few months before my mandatory retirement, I was suddenly informed about everything... It was all nonsense to me... In this new workplace, I couldn't even work full-time, my earnings would be like way below half of what I used to get... No bonuses... No overtime pay... Nothing.

***Interviewer:*** You must have been very shocked with these work conditions in this new workplace...

***Ogawa:*** Who wouldn't be...? I couldn't believe what I was told... But, the human resource people just kept saying: "That's all we could find for you, really." They even dared to say: "You say this [new] job isn't what you expected, but you should be thanking us – at least we've found something for you in this [harsh economic] time." ... Another shocking thing was that... oh my goodness, this new place was located in Machida [a city remote from the Metro Tokyo area]. It would take me about an hour and a half to commute from our house using a combination of train and bus... For a little while I just couldn't tell my wife about this new arrangement that my [former] company was offering me...

**Interviewer:** What is your current role? It's clear that you are no longer the Assistant Division Manager in the public relations section of your former company. Do you still hold some sort of title here?

**Ogawa:** No way, I am just ah...no one. I am just like one of those work-study high school kids working in local convenience stores after school for a few days a week...But, I didn't care much about stepping down in terms of my title. Here in this office, there is no such thing as a public relations division, anyway... I was just so outraged about the pay, you know. I still have to make payments on our housing loan, and my youngest kid is still in school [in college]...

**Interviewer:** Is this [current] job in any way compatible with your previous career before retirement?

**Ogawa:** I can definitely make use of my knowledge about this country's transportation systems, which I had always been dealing with until I retired from the company. But, still, my tasks are things that you could manage without having the knowledge that I have... Well, as I said, it is a very small job.

**Interviewer:** How do people at your current workplace treat you? Do you get along with them? Do they show respect to you as someone who has served for a large national transportation agency for about four decades before coming to work at this current place?

**Ogawa:** ... Do they respect me like an honorable war veteran? No. Would they rather just not have me around the office? I don't know...maybe. You know, it's quite awkward to have a lower-level employee who is much older than you are. As a supervisor, you have to supervise this guy who could be your dad's age. In other words, most people at the workplace are way younger than you are, but you just don't have any right or authority to manage their work. I am an outsider here at the new workplace in the sense that I don't quite belong to this workplace. I am more like a temporary visitor who's waiting to turn 65 or something. But, I am [physically] here to work, not everyday, but a couple days a week. People have to get to know me and communicate with me on a regular basis... I see almost every time I come into work here that my boss feels a bit uncomfortable with the whole situation, I mean, my age, my identity, and my role at the workplace. I see that he [his boss] always tries to minimize his interaction with me to reduce his feeling of uneasiness.

**Interviewer:** ... So, in some sense you are not entirely an outsider at your workplace...

**Ogawa:** Right... I am sort of someone 'in-between.' I am in-between the 'world of work' and the 'world of retirement.' Yes, by definition, I am a worker and an employee at this new workplace because I have made an employment contract with this new company. But, unlike all the rest of the people here, I can't expect

that my salary or role will go up. That's not going to happen. At the same time, I am not a retiree because I can't quite afford 'life in retirement' and I need to continue working.

(Data obtained on December 17, 2008)

### 6.2.3. Attitudes towards mandatory retirement: An unjustifiable, age-discriminatory practice

As discussed earlier, all 12 interview participants recalled that they had experienced age discrimination since being rehired by their employers after mandatory retirement. The main areas of discrimination were in financial compensation, organizational roles, work location, and human communications at the new workplaces. All 12 interview participants commonly argued that most of these age discrimination experiences stemmed mainly from the mandatory retirement practiced by their 'lifetime' employers.

Very few of the interview participants opposed the practice of mandatory retirement per se. They argued that, sooner or later, they desired to retire from their main career and move on to the next phase of their lives, namely 'life in retirement.' They also argued that it would be acceptable for mandatory retirement rules to be age-based practices – for their employers to use age as a major reference point to decide when to ask their workers to retire. However, all 12 interview participants commonly argued that the most predominant age currently mandated for retirement – age 60 – was very irrational in that, even after this particular age, they found themselves fully capable of contributing to their workplaces.

From their ‘post mandatory retirement’ perspectives, age 60 was still too young to call for terminating workers’ working lives as members of the core, regular workforce of their ‘lifetime employment’ organizations. They also argued that it was unjustifiable that, regardless of the differences in individuals’ past careers and current work abilities, almost all workers, including themselves, were subject to mandatory retirement rules. By around age 60, some workers in particular industries might need to step down from their long-term regular employee status. Yet, workers in other industries might well be able to remain just as productive for another decade or more as they had been in their 50s. Due largely to the ‘retirement age’ standardized across the country, the 12 interview participants reported that they were subjected to negative age stereotypes – being viewed as ‘old, outdated, and unproductive’ retired workers when they moved to their new workplaces through the ‘rehiring’ arrangements.

As discussed earlier, during the ‘approaching retirement’ phase of their working lives directly under the lifetime employment institution, 50 out of the 52 interview participants commonly recalled that they strongly rationalized mandatory retirement as natural, reasonable, and even as a meaningful event in the course of their working lives. All 50 of these interview participants commonly recalled that, during this particular phase of their working lives, they regarded mandatory retirement primarily as a significant life event that would give fundamental meaning to their long-term working lives.

All of the 12 interview participants whose interview data informs this section were among the 50 interview participants who had previously, for the most part, justified mandatory retirement as a necessary component of the course of their working lives. However, since actually mandatorily retiring and being rehired by the same employers,

the interview participants had altered their attitudes towards mandatory retirement as an employer practice, or at least towards the particular way in which it was implemented at their own 'lifetime employment' organizations.

According to the 12 interview participants' recollections, the gap between their 'pre-mandatory retirement understanding and their actual 'post-mandatory retirement experiences' of the new work conditions was the most common reason for their altered attitudes. Most of the 12 interview participants had some prior knowledge about the prospective reduction of their financial compensation and demotion of their organizational roles. However, the actual levels of downgrading of these work conditions at their 'rehired' workplaces were lower than what they had anticipated. Furthermore, their perceived exclusion and marginalization at their workplaces in terms of workplace locations and human communication contributed to their altered views of the nature of mandatory retirement as an employer practice.

What follows are extractions of life story interview data drawn from *Miyagawa*, who, at the time of the data collection, was aged 64 and had been re-employed by his 'lifetime employer' as a post-mandatory retirement worker for about four years since his mandatory retirement at age 60. Until his mandatory retirement, Miyagawa had been employed for 41 years at a large, private organization in the service sector of industry. This company provided security services chiefly in the Tokyo and Osaka areas. Miyagawa's 'lifetime employment' at the private company was terminated in January 2004. Upon his request, the company 'rehired' him two months later. In April 2004, he was dispatched to a medium-sized theme park, which had long been a business-affiliate of his 'lifetime employment' company.



As extracted below, Miyagawa's recollection is illustrative of most of the 12 interview participants' attitudes towards the mandatory retirement practices of their 'lifetime employment' organizations since being 'rehired' at new workplaces. His recollection of why his attitude towards mandatory retirement was different before and after his actual experiences of this employer practice also resonates with those of the rest of the interview participants. Miyagawa recalled his attitude toward the mandatory retirement practices at his 'lifetime employment' organization in the following manner:

**Extract #17:**

***Miyagawa:*** ... What was it that I experienced at age 60? I mean, I reached mandatory retirement at our company at age 60, the company sent me here to keep working. We all call it mandatory retirement, so to speak. Over the last few years [since being 'rehired' at the current workplace] I have often thought about the meaning of mandatory retirement... I have been thinking about why we have to just give up on everything that we have accumulated and accomplished over the last three or four decades all of a sudden once we turn 60...

***Interviewer:*** ... What was your general expectation about your working life after mandatory retirement? Your story clearly tells me that your current working life is very different from what you had expected prior to your retirement...

***Miyagawa:*** Before mandatory retirement I didn't give much thought to what my working life might be like after retirement. I just thought that I would 'slow down' a little bit, you know. Here I still work almost full-time, but there is no overtime or business travel. I work just 11 to 7 everyday, and that is fine. But, now my salary is about barely a third of what I used to earn... Well, maybe I deserve this ridiculous wage considering how easy my current job is. I just walk around doing repetitive security guard work here. But I have been feeling like I have lost pretty much everything from my 'real career.'

***Interviewer:*** You feel like... everything you have accomplished in your previous career has been forcibly ripped away. Besides wages, what do you feel you have lost?

***Miyagawa:*** Well, money is important, you know. It's important not just for supporting myself and my family but also for... my pride. I mean, as a grown-up in society we all want to, and have to, have a certain amount of income, and that's

an important element of who we are... I felt like I as a person was suddenly devalued when I first realized how little I was going to get paid here. I really felt like I was labeled as a 'valueless and useless old man' both at the former and the current workplace... So, overall, I have felt like I've lost my value, power, social networks that I had established from the nearly four decades of my career at the [former] organization. At least, that's how people here look at me and treat me...

**Interviewer:** But, prior to reaching age 60, you said that you were not particularly critical about your employer's practice of mandatory retirement. Rather, you said, that mandatory retirement in general was taken for granted by most workers in the country, including yourself.

**Miyagawa:** Right. I was just illustrating how I thought regular workers, like me, viewed it. I did look at the nature of mandatory retirement rules that way, too. I mean, you know, in our world, not until you have first-hand experience can you quite tell the real nature of some things. Mandatory retirement was one of those things, and I had never experienced it before.

**Interviewer:** Sure, it is most likely that people experience mandatory retirement just once in their lives.

**Miyagawa:** Isn't that true?... And, what is the point of forcing workers to 'retire' and leave everything that they have accomplished throughout their career behind them once they reach age 60? Why age 60? Why do we all have to do this thing just at age 60?

**Interviewer:** Do you think that it is, or it's getting to be, too early to ask workers to retire at age 60?

**Miyagawa:** It's absolutely way too early. You know, most of my age cohort members still need to work, earn, and support their families beyond age 60. We can't retire at that early an age. Also, most of those in my age cohort, including myself, can work! I am in good shape both in the body and mind. I am still just as sharp as most people in their 40s. When I was approaching the mandatory retirement age, some of my bosses kept saying that I was getting too old to remain sufficiently productive.... But what is the difference between when I was 59 and now [when he was 64]? I often think of mandatory retirement rules in general as a very discriminatory practice, putting a variety of people under a cookie-cutter stereotype...

(Data obtained on September 19, 2008)

#### 6.2.4. Self-concepts as workers: Re-socialization from the 'lifetime employment' organizations

All 12 interview participants commonly recalled that their self-concepts as workers had changed since they had begun working at their new workplaces after mandatory retirement. Some of the interview participants recalled very drastic changes in their self-concepts, while others recalled moderate changes. According to their recollections, all 12 interview participants commonly experienced changes in their self-concepts as workers within the first year of their working lives as post-mandatory retirement workers.

The 12 interview participants commonly recalled that they went through 'self-esteem degradation' shortly after they began working for their new, designated workplaces as post-mandatory retirement workers who had been 'rehired' by their 'lifetime' employers. They interpreted that their reduced wages (or salaries) and demotion from regular to non-regular employment status also reduced their value as workers from 'full-fledged' to 'peripheral' or 'secondary' workers at their workplaces. Most of the 12 interview participants also commonly recalled that after this 'self-degradation' period, they began renewing the ways in which they assessed their value as workers. By about a year after they started working as post-mandatory retirement workers, most of them had already reassessed themselves and formed more positive self-concepts. 11 out of the 12 interview participants recalled that, in this context, they saw themselves as workers who were just as valuable and capable as they had been during the 'transition' phase of their working lives, when they had been in their mid-to-late 50s.

As 10 out of the 12 interview participants also recalled, they altered their subjective age within the first year of their working lives as post-mandatory retirement workers. At the beginning of their working lives as post-mandatory retirement workers, they felt that they were powerfully labeled as ‘old persons’ at their new workplaces, and they began viewing themselves accordingly. However, within the first year of their ‘rehiring’ at new workplaces, these 10 interview participants began consciously questioning this label. While acknowledging that they were at an advanced age in their life course, they began dissociating themselves from this label. From the interview participants’ perspectives, the label of ‘old age’ was an imposed message of how old they were supposed to feel, which was not necessarily compatible with how old they actually felt. In this context, the 10 interview participants commonly suggested an age-group category of ‘middle-age-to-older’ in recalling what age group they felt they belonged to. This category combined the ‘middle-age’ and ‘older’ age group categories.

According to all interview participants’ recollections, during the ‘approaching retirement’ phase of their working lives, they had considered their primary role within their ‘lifetime employment’ organizations to be yielding their resources and opportunities to the remaining members and future recruits of their organizations. However, as they experienced substantial changes in their self-esteem and subjective age as post-mandatory retirement workers, most of the 12 interview participants also experienced major changes in their *age role-identity*.

Since being ‘rehired’ by their ‘lifetime’ employers, 11 out of the 12 interview participants commonly recalled that they embraced active roles. They considered their primary roles at their new workplaces to be actively training and educating younger

workers by transferring the work-related skills and knowledge that they had accumulated throughout their past careers. Most of these 11 interview participants believed that some of their work-related skills and knowledge were, more or less, obsolete or inapplicable in their new workplaces. Nonetheless, they also believed that some of their long-term working life experiences, such as work ethics and skills to manage constructive human relations at the workplace, were still valuable and transferable to many of their colleagues at their new workplaces, particularly younger ones.

Below, I present an extraction of life story interview data of *Kanemoto's* recollection of his self-concept as a worker and changes to it since he began working at a new workplace as a post-mandatory retirement worker. At the time of data collection, Kanemoto was 63 years old and had been working as a part-time employee for three years at a wholesale company. As a large, private organization with a total of about 4,000 employees across the Tokyo area and its vicinities, the wholesale company had employed Kanemoto for 43 consecutive years. Kanemoto reached the company's mandatory retirement age of 60 in 2005. As he had requested a few years before he reached retirement age, this company continued to employ him – through the 'rehiring' practice - beyond age 60. Similar to most of the other 12 interview participants, Kanemoto experienced substantial reduction of wages and demotion in his organizational role when he was rehired. In April 2005, Kanemoto was transferred to his new workplace, which was a local branch office of the same company. This new workplace was located close to the headquarters of the company where Kanemoto had spent most of his 'lifetime' career.

Kanemoto's recollections of his self-concept as a post-mandatory retirement workers is illustrative of those of most of the 12 interview participants. He described the

ways in which his self-concept had changed since he had begun working at the new workplace in the following manner:

**Extract #18.**

**Interviewer:** Can you tell us when you started viewing yourself differently as a worker? In what ways was your 'new self-concept' different from your previous one?

**Kanemoto:** ... It was very shortly after I started working here [at my new workplace] that I suddenly changed the way I looked at myself as a worker. It didn't take more than three months before I came to re-evaluate myself in a positive fashion... As I said, I went through a bit of a depressive period around the time I was transferred to this place due to my mandatory retirement from my company. I felt like I was really valueless or even a burden to everyone at this company. You know why – when people around you just define you that way and take away from you everything you have achieved throughout your career, how else could you see yourself?... But simultaneously, I have become a bit happier of a worker here than I was before my mandatory retirement.

**Interviewer:** Could you tell me why you are happier now than before?

**Kanemoto:** ... Well, I was a bit sarcastic when I said I was happier now... I mean, this whole experience of my retirement and re-employment has given me a new perspective on the meaning of the mandatory retirement I went through and on how I see myself... Before turning age 60 I thought mandatory retirement was just a natural part of our working lives, but actually it was just what our employers wanted. That was their need, you know, to just kick us out of their companies because we were getting old and rotten, and...just a bunch of excess... But, again, that is the employer's story, not ours [workers]. I can see that I have a lot to share with younger people at my current workplace, including appropriate work ethics, workers' ethos, and wisdom that will help them better handle a variety of troubles they are facing both in the short and long run. I am still very valuable, you know, as a worker. I have so much to contribute to my current workplace.

**Interviewer:** You told me a while ago that shortly before your mandatory retirement you felt quite advanced in age, and even felt like you were a very old man as a member of your organization. Does your view still remain the same?

**Kanemoto:** No, it doesn't. As I said, there was a time during which I believed I had become very old, too old to stay in this company. This was in the last few years before my mandatory retirement. I looked at myself that way because that

was how pretty much everyone and everything surrounding me in that environment defined me. They spoke with me, treated me, and planned my future after retirement just that way everyday. You may think I was a naïve guy to unconditionally take seriously whatever people said about me. But, in reality, the way people define you really powerfully shapes the way you look at yourself... But, now... I am not sure. I don't have any particular way to tell how old I am. Yes, people surrounding me at this [new] workplace still treat me as though I am a dead old man. Sure, I know that. But, I also know that this is simply how people are 'taught' to see me... taught by this whole institutional arrangement of work and retirement in our society, you know. We are all taught to label you as an 'old' person when you declare that you are 60 years old. That's how our minds work, you know.

**Interviewer:** So, now you don't necessarily feel that you are 'old' as a worker. Is this true?

**Kanemoto:** ... Well, yeah, I do. I do feel I am older when I compare myself with other workers who are my kids' age [laugh]. I don't deny that I must be an old guy. But, I am uncertain about how old I feel about myself. I am not sure but what I may still be middle-aged, so to speak. I may still be in a mid-stage in my career in that, as I said, I can still work and take care of younger workers, and I'm still a bit too young to retire... I think it's most appropriate for me to categorize myself as part of middle-age and older guys at the workplace. How about that? I still feel that it's not quite right to see myself as an old guy. Once you see yourself that way, then you admit that you allowed your employers to kick you out [mandatory retirement]! [laugh]. I see that I am actually not 'that old' now. I really see no real difference between my 40s and these days in terms of my value and potential as a worker.

**Interviewer:** I am very interested when you said that you have a lot to teach and educate younger workers about. Do you have real opportunities to do so in your current working life?

**Kanemoto:** No. That's why I am a bit frustrated. There is no opportunity to mentor younger people because I am a 'dead old man' in their eyes. What can you learn from this guy who survived WWII? [laugh] But, that's exactly what I need to do – I need to teach them about the world of work, the reality of work, and human life! I know, this sort of business [wholesale] is quite competitive these days. Folks from Korea, Taiwan, and China are gradually getting bigger and bigger in our market. But, they are all people, you know. We are all always people. People make the same mistakes over and over again at least in this business. Why not learn from our wisdom? I have been in this world [wholesale industry] for over four decades!

(Data obtained on September 21, 2008)

### **6.3. ‘Job Market Returnee’ Post-Mandatory Retirement Workers: Age barriers to ‘Productive Aging’ in the Labor Market**

#### 6.3.1. Structural contexts: Government job placement support for the ‘aged’ and institutional age barriers to returning to work

This section presents findings from the life story interview data of the experiences of aging as perceived by 11 ‘job market returnees’ since their mandatory retirement from their ‘lifetime employment’ organizations. ‘Job market returnees’ are those post-mandatory retirement workers who returned to the job market after mandatory retirement and found new employment by themselves rather than being ‘rehired’ by their ‘lifetime’ employees.

All 11 ‘job market returnee’ interview participants reported that their ‘lifetime employment’ organizations offered them some form of ‘rehiring’ opportunities for post-mandatory retirement employment. But, all of them declined the ‘rehiring’ opportunities and returned to the job market as individual job seekers after reaching mandatory retirement age. The main reasons for their declining of the possible ‘rehiring’ opportunities were the mismatches between their desired wages, work locations, job contents, or a combination of these work conditions, and the actual work conditions their ‘lifetime’ employers offered. At the time of data collection, the chronological age of the 11 interview participants ranged from 61 to 66, and their entry into the post-mandatory retirement phase of their working lives had occurred between 2003 and 2008.



From the interview participants' perspectives, the following two structural factors had largely impacted their experiences of aging since their mandatory retirement: (1) *The government's job-placement support specifically targeting 'older' job seekers* and (2) *employers' refusal to provide training and education opportunities for newly hired post-mandatory retirement workers*.

The first structural factor was government endeavors to help post-mandatory retirement job-seekers to secure employment. From the interview participants' perspectives, such public services focused almost exclusively on bringing them back into the labor force per se; providing training and education opportunities was a secondary, if not marginal, focus of these government programs. The interview participants were aware, however, that in order to improve their employability to access their desired jobs, they had to update their skills and knowledge – and in some case, even to become formally qualified or certified for their desired jobs.

The second structural factor faced the interview participants after they found jobs in new workplaces. This factor was their employers' institutional refusal to provide post-mandatory retirement 'older' workers with any substantial opportunities for work-related training and education. In this context, most of the interview participants argued that they constantly confronted age barriers to gaining the skills and knowledge that might help them to increase their productivity, or possibly even help them to be eligible for promotion to better-paid organizational positions.

The 11 interview participants experienced that these structural forces *stigmatized* them because of their status as being 'post-mandatorily retired.' Both in the job market and in their new workplaces, the status of being 'post-mandatorily retired' was

institutionally translated as being at the end of one's productive phase in his or her working life. In both areas – on the job market and in the workplace – the interview participants felt that they were subjected to institutionally reinforced negative attitudes and perceptions about post-mandatory retirement job seekers.

Due to this social stigma, the interview participants experienced very limited, if any, access to government support for improving their employability or to employer-provided training opportunities to update their work-related human capital. From the interview participants' perspectives, the social stigma that defined them as unworthy of further human capital investment was attached to them because of their age and the very fact that they had mandatorily retired from their 'lifetime employment' organizations. The social stigma attached to the interview participants manifested itself in the form of widely institutionalized age barriers to their return to satisfying working lives beyond the conventional retirement age of 60. Most of the interview participants experienced these age barriers when seeking to acquire such human capital as skills, knowledge, and qualifications that would enhance their employability in the job market and their productivity in their new workplaces.

In this section I present findings from life story interview data of the 11 'job market returnee' interview participants' recollections of their experiences of aging as shaped largely by the two aforementioned structural factors. This section is organized as follows: In the subsection 6.3.2, I discuss my findings of the interview participants' experiences of being subjected to age discrimination: Confronting age barriers to improving their employability in the job market and productivity at their new workplaces. The next subsection– subsection 6.3.3 – discusses the interview participants' attitudes

towards their experiences of confronting these age barriers. In the subsection 6.3.4, I discuss the ways in which the interview participants have developed their self-concepts as workers since their mandatory retirement.

#### 6.3.2. Age discrimination experiences: Age barriers to training and education and structural 'de-skilling' in 'old age'

All 11 interview participants recalled that they had been experiencing harsh age discrimination since leaving their 'lifetime employment' organizations and returned to the job market in search of their post-mandatory retirement jobs. The interview participants commonly recalled that they experienced constant subjection to 'structural de-skilling' both in the job market and in their new workplaces. From their perspectives, the 'de-skilling' experiences kept them from updating or acquiring new work-related human capital, which would be crucial for their wellbeing in their post-mandatory retirement working lives.

On an institutional level, *de-skilling* refers to a process through which work organizations break down complex work processes into simpler and unskilled tasks in order to save the cost of human capital investment and maintenance. As a result, organizations tend to create a number of jobs that are neither secure nor creative, with inferior conditions in terms of compensation, work location, etc.(relative to those for more skilled work), particularly for disadvantaged and marginalized workforces. Individual workers tend to experience the de-skilling process primarily as alienation in

their working lives; they have little control over their work processes and have little access to fulfilling working conditions (Braverman 1974).

The interview participants argued that the ‘de-skilling’ forces that they had faced since joining the ranks of the ‘post-mandatorily retired’ were primarily *age barriers* to maintaining or improving their employability in the job market and their productivity in the new workplaces. They had been subjected to the de-skilling process in the job market and in the new workplace primarily because of their chronological age and their status of being ‘post-mandatorily retired.’ These two aspects of their experiences led to them being firmly stigmatized as ‘too old to be worth investing in to develop their human capital.’ Such a stigma was deeply engrained in the entire country’s institutional structures surrounding those who were ‘post-mandatorily retired.’ According to the interview participants’ recollections, both the government services that aimed to place them back into employment and the conditions and practices in place at their new workplaces played major roles in generating and reproducing the age barriers to their post-mandatory retirement human capital development.

As discussed in Chapter Six (Section 6.6), the government has implemented *Hello Work* programs and *Silver Human Resource Centers* as two main, nationwide job-placement programs for ‘older’ job seekers. All chapters of both programs are fully subsidized by the national and municipal governments, and they provide local residents aged 60 and older with work opportunities (Higo and Yamada 2009b). At some point shortly before and after mandatory retirement, each of the 11 interview participants had individually accessed these programs in search of potential post-mandatory retirement

employment opportunities that might better match their preferred jobs than what their 'lifetime' employers were offering them through rehiring.

All 11 interview participants recalled that they had very little access to job training or educational opportunities through these government programs. Instead, these services commonly offered the interview participants non-regular employment opportunities as temporary, contract, or part-time workers, mostly in unskilled, manual, and repetitive jobs. The work conditions offered for most of these small employment opportunities, including wages, were still far below the interview participants' preferences. These two programs were the main, if not the only, public resources that the interview participants had to rely on as they sought post-mandatory retirement jobs. As a result, they had no other choice but to take up the non-regular jobs made available through these programs, even though the jobs did not necessarily match their preferences because they had no opportunity to improve their employability for the jobs they truly preferred.

10 out of the 11 interview participants recalled that even after they found post-mandatory retirement jobs and started working at their new workplaces they continued to confront age barriers to accessing training and education opportunities. This was the case due largely to their employers' institutional refusal to provide them with any substantial opportunities for work-related training and education. The interview participants argued that their employers firmly held the age-biased assumption that they were 'too old to be re-trained' to update their work-related skills and knowledge. This ageist bias served to hinder most of the interview participants from increasing their productivity, or even working toward eligibility for promotions to better paid organizational positions because

they were unable to access the training that would help them to achieve such goals. From the interview participants' perspectives, with such age barriers, their employers effectively reproduced workers' 'skill and knowledge obsolescence in later life.'

Below, I present an extraction of life story interview data drawn from *Kitajima*, who at the time of the data collection was aged 64. Kitajima reached the mandatory retirement age of 60 in 2004. Until his mandatory retirement, Kitajima had been employed at a private organization in the medical and healthcare industrial sector for about 37 consecutive years. As a large pharmaceutical company, Kitajima's 'lifetime employment' organization employed a total of about 18,000 employees nationwide.

Having turned down his 'lifetime' employer's offer of a potential 'rehiring' opportunity, Kitajima visited local offices of the Hello Work program and the Silver Human Resource Center program. Three months after he left his 'lifetime employment' company, he found an employment opportunity through a local branch office of the Silver Human Resource Center. His post-mandatory retirement job was non-regular employment; he worked four days a week as a security guard at a public junior high school. To Kitajima, the location of this school was not very convenient and the content of this post-mandatory retirement job had very little relevance to his long-term career as a medical researcher. While his status as a part-time worker was his preference, the monthly wage from this new job was only about half of what he desired to earn. To a large extent, Kitajima's experience of age discrimination since his mandatory retirement is illustrative of most of the interview participants' experiences of aging after they opted to seek other avenues of employment than being 'rehired' by their 'lifetime employment' organizations.

**Extract #19:**

**Interviewer:** Did you visit a local job placement center after you formally retired from your former company?

**Kitajima:** ... I visited branch offices of both the Hello Work program and the Silver Human Resource Program about a year before my mandatory retirement. By that time I knew I wouldn't be taking the 'rehiring' offer from my company... I knew that any jobs through the 'rehiring' arrangement would be just terrible. Or at least not a very decent job anyway... But, when I visited those public assistance offices, I was encouraged to [wait and] come back to them after my formal retirement.

**Interviewer:** Why did they encourage you to put off visiting them until after your mandatory retirement?

**Kitajima:** They were just too busy with assisting truly unemployed older people to find jobs... At that time I was still employed since this was before I had reached mandatory retirement age. Some of the placement officers even said to me that my [former] company would get me a decent job through 'rehiring' arrangements... So, I went back to the local Silver Human Resource Center office two days after my formal retirement.

**Interviewer:** What kinds of jobs were available through the Center?

**Kitajima:** ... All were very manual, simple, and boring jobs. I found no jobs that had any relevance to my long-term career as a medical researcher. At my former company, I had been trained primarily to be a medical researcher. That's what I had been doing for decades. But, if I were to seek a medical researcher job after mandatory retirement, I knew I would have to be formally qualified for this profession. I'd need a nationally-certified license to be [a medical researcher].

**Interviewer:** The government claims that the Silver Human Resource Center programs are supposed to provide a variety of job training and education. Was there not any training or educational service made available to you for your specific career goal?

**Kitajima:** No. They just provide very minimum training just for jobs like being a school security guard, doing house and yard cleaning, and basic cooking ... They are not interested in really training people and sending them to decent companies for decent jobs after mandatory retirement.

**Interviewer:** I wonder why not. That's supposed to be one of the top agenda items for the government today...

**Kitajima:** You could tell if you were my age and spent some time at any of those public employment service offices. There is just an overwhelming atmosphere filling those offices that discourages you from even thinking that you might get a decent post-mandatory retirement job... People at those offices are so...very biased against us. Of course they don't verbalize how they view us, but we [post-mandatory retirement job seekers] are all treated as though we are half-dead half-alive people in terms of our capacity to work. First of all, we are all viewed like we are just too old and too stiff in mind to update our skills and knowledge...

**Interviewer:** ... too difficult to teach anything new, too old to change the way you work...

**Kitajima:** Exactly. It's very stigmatizing, you know... an ageist bias!... So, I had no choice but to give up on continuing my career as a medical researcher, and I finally picked up a security guard job at a junior high school, which is 12 train stations away from my house. It's a small, part-time job, but this was actually the only job that was commutable from where I live. And, I am still confronting the very same ageist bias. Since being employed at this current company [a security guard dispatching agency], I have kept asking the human resource office people to get me some assistance with becoming qualified for some higher level jobs as a security guard. I am not interested in this job anyway, but now [that I'm here] I am interested in elevating myself to a bit higher, more responsible work in this field.

**Interviewer:** And, again, your request for training and education support has been refused...

**Kitajima:** True. They have never taken my sincere request seriously and they will never do so... The same age discrimination! Their attitude is like, 'they are all half-dead and will be gone pretty soon anyway. Why do we have to invest our time and money to help them work longer and earn more?'

**Interviewer:** ... But, you are still just slightly over age 60. And, you said you are still completely healthy, energetic, and able to learn and work. Right?

**Kitajima:** That's all true, but that's just what I think about myself. The problem is that the employer side doesn't view us that way. As long as they keep embracing such an ageist attitude, we will continue to be traumatized because of our age and because of the fact that we have passed the age of 60, which is the very definition of being post-mandatory retirement people...

(Data obtained on November 2, 2008)



### 6.3.3. Attitudes towards structural ‘de-skilling’: ‘Skill and knowledge obsolescence in old-age’ as a self-fulfilling prophesy in lifetime employment

As discussed earlier, the 11 ‘job market returnee’ interview participants commonly recalled that they had experienced being subjected to ‘structural de-skilling’ since their mandatory retirement. Both in the job market and in their new, post-mandatory retirement workplaces, they had constantly confronted age barriers to improving their work-related human capital because of the social stigma attached to their chronological age and to their status of being ‘post-mandatorily retired.’ The entire labor market institutional arrangement surrounding the ‘job market returnees’ had stigmatized them as being ‘too old to be worth investing in for development of human capital.’

The experiences of confronting the social stigma and age barriers during their post-mandatory retirement lives facilitated the interview participants’ development of a critical perspective on the meaning of the institutional arrangement that had so long surrounded their working lives until their mandatory retirement – namely, the institution of lifetime employment. Since their mandatory retirement, they had looked back and overviewed the nature of the lifetime employment institution and its systematic implications for individual workers’ working lives, particularly those in later life.

The 11 interview participants commonly argued that since their mandatory retirement they had begun critically re-examining the ways in which, under the institution of lifetime employment, their working lives were organized and controlled based primarily on their age. Under this institution, while long-term job security is largely guaranteed, workers are doomed to be disposed of in later life largely as a result of

employers' ceaseless search for what they perceive as greater vitality and efficiency in their workplaces and organizations.

The social stigma and the age barriers that they faced when trying to acquire the necessary human capital for gaining satisfying work in their post-mandatory retirement lives are the consequences of this age-based – and ageist – labor market institution of lifetime employment.

In critiquing the systematic implication of the lifetime employment institution particularly for older workers, most of the interview participants – nine out of the 11 – commonly argued that the institution had created a 'self-fulfilling prophecy' of the 'skill and knowledge obsolescence' of the post-mandatory retirement workforce. The institution of lifetime employment, from their perspective, is ultimately a powerful, self-perpetuating institutional device developed and aiming primarily for the purpose of increasing and maintaining the vitality and efficiency of individual work organizations and the national economy at large.

A self-fulfilling prophecy refers to the process whereby a false or biased conception of a specific situation evokes new behaviors and reactions which in turn make the original false conception come 'true' (Merton 1978). As the interview participants argued, first, the lifetime employment institution at large defined older employees who approaching mandatory retirement as too old to be invested in for their human capital development. Even the government-operated job-placement offices reproduced this false – age discriminatory – conception of older employees' actual capacity and willingness to improve their work-related productivity. Then, as post-mandatory retirement job seekers confronted these structural age barriers to updating their work-related skills and

knowledge, they tended to take up non-regular employment opportunities that were substantially lower-level positions than their 'lifetime' careers. Finally, employers in their new workplaces tended to complete the self-fulfilling prophecy of 'skill and knowledge obsolescence' of these 'older workers' by refusing to provide support for their human capital development based on the institutional ageist biases that they held. The post-mandatory retirement workers were indeed left with outdated skills and insufficient qualifications for pursuing better jobs that interested them.

Below, I present extractions of the life story interview data drawn from *Sano*. At the time of data collection, he was 63 years old and, after rejecting an offer to be 'rehired' by his lifetime employer after his mandatory retirement, he had been working at a new job for the past three years. Under the lifetime employment institution, Sano had been employed in the prefectural government of Tokyo for 38 consecutive years until he turned age 60 in the year 2005. Within this 'lifetime employment' organization, Sano had constantly been transferred from one division to another, which constantly required changes in his job contents. In September 2004, Sano was offered by the organization a 'rehiring' opportunity, which would require him to move to a remote city in Tokyo prefecture. Due largely to his family obligations, he declined this post-mandatory retirement employment opportunity.

In May 2005, a month after his mandatory retirement from his 'lifetime employment' organization, Sano was employed by a private, medium-sized wholesale company near his residence. He found this employment opportunity through a local Silver Human Resource Center branch office. Based on a part-time contract, Sano had

been working as an office clerk who was responsible primarily for assisting several full-time employees who were working in the accounting division of the company.

As part of his life story as a worker, at this stage Sano recalled changes in his attitudes toward the entire institutional arrangement of ‘lifetime employment’ and its negative implications for older workers and workers in later life. Representing most other post-mandatory retirement workers, Sano’s recollection meaningfully summarizes those of the nine interview participants who argued that the institution had created a ‘self-fulfilling prophecy’ of the ‘skill and knowledge obsolescence’ of the post-mandatory retirement workforce. Sano described the process through which he became a post-mandatory retirement worker and its impact on the ways in which he viewed the lifetime employment institution in the following manner:

**Extract #20:**

**Sano:** ... As you might know, that kind of job [public, prefectural office worker] constantly relocates people [employees] from one place to another so that they can accumulate experience in a variety of tasks and responsibilities. These experiences are considered one of the most important assets that people carry with them as they move from one role to a higher one within the organization. I know many private companies do the same, particularly the large ones. A bad thing about this practice is that we [employees] never develop any specialized skills to carry with us once we get back out in the labor market to seek our next job after retirement...

**Interviewer:** Such as professional certificates or any substantial skills that are in high demand in today’s labor market?

**Sano:** Yes, those are good examples. We are all trained to contribute only to our ‘lifetime’ employers but never to our own individual career development. Things that I was very familiar with at my former organization [the prefectural government of Tokyo] weren’t really applicable to any other job. I could probably apply my experiential knowledge and skills in other prefectural government offices, but, you know, they wouldn’t hire me for such a similar role or position because I am already ‘retired.’ ‘Retired’ means ‘done,’ you know. I was over.

**Interviewer:** It's hard to believe that the prefectural government office you used to work for did not provide any skill-development support for your working life after mandatory retirement. Is that really the case?

**Sano:** That's all true, not just for me but for pretty much everyone in this world [of government work]... Why?... Ageist assumptions, age stereotypes, age discrimination... Not just the human resource division people but pretty much everyone in the entire organization simply assumed that we didn't deserve that kind of support and we weren't really capable of further developing our skills and knowledge, let alone learning something entirely new to ourselves. As workers, we were all stigmatized, you know, with bad labels. Of course this was also the case when I was very desperately seeking jobs after my retirement at the Silver Human Resource Center office. No support for my skill development or learning new things like... say... getting a national certificate for using some professional computer accounting software... Their attitude was like, 'let's just find something that will get you some small income, and be happy about it,' and, 'don't be too ambitious about your next job.'

**Interviewer:** Were you disappointed at the whole situation surrounding the process of moving from a pre- to a post-mandatory retirement worker?

**Sano:** Absolutely. Most folks my age I know say the same thing, you know. I am not the only one who suddenly changed the way I look at my entire working life experiences... As I said I was just fine with my upcoming retirement and with the little training and educational opportunities provided me during the last five or six years of my employment at the organization [the prefectural government of Tokyo]. I also believed that I deserved 'being kicked out' of the workplace because I felt I was just too old to make contributions that matched what I received from the workplace... But since I have started working here [at his new workplace] – and even now – I've felt like I am now wide awake, widely awake to the fact that I, not just myself but many people, was merely being used and even tricked by this whole employment system of this country, I mean by the so-called 'lifetime employment' stuff.

**Interviewer:** Could you tell me more about how you have begun to see the nature of the institution of lifetime employment and its implications on your working life when you were directly under it and after exiting it?

**Sano:** ... Well, I am not saying that this whole employment institution is a deceitful scam aiming to trap and exploit workers like me. Compared to some people working by themselves such as self-employed people and some types of truly independent professional people, yes, we definitely benefited from this institution of 'lifetime employment.' For one thing, we never had to be concerned about losing our jobs at any point during our careers, you know. That's great, and I appreciate that... But, once I was thrown away [from his 'lifetime employment'

organization] I just inevitably realized that pretty much all I had done during my career was ultimately for the organization. I was trained to be ??? of the organization for my entire career... When people at the Silver Human Resource Center asked me what I could do and what skills I had for my next career, all I could think of was what I had done for the organization, nothing for my future..

**Interviewer:** And, you said that you were still facing age barriers to developing work-related skills to go beyond your current-level job...

**Sano:** Sure, I have been trying to move up, you know. I am only 63. Why do I have to bury myself into a social category of ‘old retired person’? I think that our so-called ‘job skill obsolescence’ is something that is done [to us]. We are rendered ‘obsolete workers.’ My former organization let go of me, saying, “thank you for your long-term contribution, but I see you are getting too old to learn anything about this ‘Brave New World.’” Government services share the same age stereotypes with our employers, you know. So, they only try to get us easy, manual, everyone-can-do type of jobs, without trying to help us develop our work skills. Now, most employers in this country are not really happy about employing post-mandatory retirement workers like me, because our experiences, skills, and knowledge are too obsolete to be of any value. Now, I have been asking myself and many other people if we are really obsolete workers, or if we are actually structurally made obsolete...

(Data obtained on September 12, 2008)

#### 6.3.4. Self-concepts as workers: Objectifying internalized ageism

Most of the ‘job market returnee’ interview participants – 10 out of the 11 – commonly recalled that, since their mandatory retirement, they had come to ‘objectify’ their internalized ageism. They argued that, during their working lives directly under the lifetime employment institution, they had constantly been subject to age-based stereotypes and labels that aimed to shape their perceptions and behaviors as workers. Over the course of their working lives they had, more or less, internalized such ageism as

the basic framework upon which they developed and altered their own self-concepts as workers.

Since their return to the job market, the 10 interview participants had experienced ‘objectification’ of their internalized ageism – consciously identifying such negative age stereotypes and labels primarily as social labels placed upon them, not wholly the way they had chosen to see themselves. This objectification of internalized ageism led them to believe that such given social labels were largely how others around them in their daily lives viewed them. More or less separate from the social labels, the interview participants had developed positive self-concepts as workers, particularly since finding post-mandatory retirement employment opportunities.

As the 10 interview participants recalled, ever since their mandatory retirement they had been in the process of revisiting and re-discovering their worth as workers in the labor force at large. The labor market denied their willingness to continue working and even their capacity to obtain entirely new work-related skills and knowledge largely because of the stigma attached to their chronological age and their status of being the post-mandatorily retired. However, all 10 interview participants were aware that such public perceptions were merely a social stigma, not a fair evaluation of them. Furthermore, all the interview participants expressed some degree of self-pride as post-mandatory retirement workers. From their perspectives, despite the stigma of being ‘obsolete workers,’ they had accumulated a tremendous amount of experiential knowledge that other workers in their new workplaces, particularly younger ones, had not acquired yet.

These same 10 interview participants recalled that they had been experiencing a seemingly endless phase of ambivalence in terms of their subjective age. Since their mandatory retirement, they had often asked themselves who ‘older workers’ really were. From their perspective, they were chronologically older than most of the pre-mandatory retirement workers in their new workplaces, but they were not old enough to fully retire from their working lives. They also believed that they were young enough to keep working and generate contributions to their co-workers and to the new workplaces at large.

Reflecting their ambivalent subjective age, the same 10 interview participants also recalled questioning whether there were really certain roles, responsibilities, or expectations that they were supposed to meet during this post-mandatory retirement phase of their working lives. The most common view among the 10 interview participants was that they believed they needed to be competitive with other workers in their new workplaces.

*Endo* was one of the 10 ‘job market returnee’ interview participants who had been objectifying his internalized ageism since his mandatory retirement. At the time of data collection, Endo was 65 years old and had been employed at a small organization in the education sector of industry for two years. He had retired from a prefectural-level public high school system in 2004, when he was 60 years old. By the time he retired from this ‘lifetime employment’ organization, he held a vice-principal position at a high school located in a suburb of the Metro Tokyo area. When Endo turned 59, the school system offered him an opportunity for ‘rehiring’ after his mandatory retirement. However, he declined the offer since the ‘rehiring’ option would most likely require that he move to a



very remote part of Tokyo, which would be very inconvenient for him to regularly commute to from his long-term residence.

About two years after his mandatory retirement, Endo recalled, he experienced a moderate depression due largely to of the various age barriers he was facing in the job market. He was primarily seeking teaching jobs at private prep schools near his residence; however, he recalled that his status as a post-mandatory retirement worker from public school was seen very negatively by many potential employers seeking part-time teachers for their private prep schools. From his perspective, generally, post-mandatory retirement public teachers were notorious in that their knowledge and attitudes towards students and their parents were believed to be excessively outdated. He was seeking opportunities to take a variety of college-level courses to update his knowledge of world history. Although free courses were available at some public job training agencies in the Tokyo area, they were only available to those who were currently employed in some education-related capacity. He even visited the headquarter office of the Silver Human Resource Center program located in the metro Tokyo area. While the office linked him with a very low-paying, fixed-term job at a small private prep school, it did not assist him with accessing any formal education.

Endo started working for the small private prep school in 2006. By that time, he had largely recovered from his depression, and he began developing a new way of viewing himself as a worker in the new workplace. He recalled the emergence of his new self-concept as a worker in the following manner:

**Extract #21:**

**Endo:**... You won't believe how little I am earning here with this new job... You can earn much more by working just an evening shift at a local McDonald's everyday. Some people say that the most important thing in our working lives is to match our interests and the content of our jobs... 'Doing what you want to do for life,' you know. That's true. But it's also true that, when you are paid at my age even less than what most high school kids earn, you would be quite depressed... It tells you that you are 'stamped' as a real valueless one, too old to be of any value... It would severely damage your mind...

**Interviewer:** I imagine that's true... And, even worse, because of the 'stamp,' people won't support you to maintain your skills and knowledge as a worker...

**Endo:** See, that's what I am saying... It's a vicious cycle, you know. People first define us as 'old dogs,' and then they block us from trying to be like 'younger dogs' again... So for the first few years after my [mandatory] retirement, I certainly felt like I was basically betrayed by my whole career and by those people who used to call me "Teacher" who suddenly turned their back to me... I took all of these 'messages' from society very personally and seriously. I seriously thought my life was over, you know, as far as my career was concerned... That was a very difficult time...

**Interviewer:** But, you don't see yourself and your situation that way any more, do you?

**Endo:** Not any more... I was forced to leave my working life behind when I reached the mandatory retirement age. So, since then I have been outside 'that world,' you know, outside of the whole system [the lifetime employment institution]... It's not likely that I can get back to being as happy as I used to be during my 40s and 50s, because of this whole ageist society. It's very sad that I can no longer be part of the system that gave me such strong job security for so long ... But, in exchange for being kicked out of that world, I think I've gotten a new perspective on the system and on myself...

**Interviewer:** Now do you see yourself as a valuable worker either at your current workplace or in the labor force of this entire society?

**Endo:** I don't know. Maybe I am a good worker and might be very useful for some purposes, people, or workplaces. Maybe I am not very a valuable worker and never have been to anyone... I just don't know. As I said, the ways I have looked at myself have gradually changed over the course of my working life. I saw myself having no value when I was very young, but viewed myself as a very important asset for the entire school system as I grew older as a teacher. Then, later I began seeing myself as an older worker who was losing my value as a teacher as I approached retirement age... All I know is that these were all 'learned' perceptions about myself. I was led to think of myself in those ways and led to change the ways I saw myself. This is how society works for you, you

know. In this way, society tries to make sure that you follow the ‘script’ of the human life course as designed by this society...

**Interviewer:** So, these days you would even refuse to see yourself as an older worker?

**Endo:** As I said, I don’t know. If you are asking me how old I feel about myself, then I really don’t know what to say. Tell me how old I should feel about myself. Do I have to feel old and thus have to believe that I deserve this kind of small job [a low-paying part-time tutoring job at a prep school]? What do we actually mean by being an ‘older worker’? Who are they? Does everyone in their 60s have to see himself or herself as an older worker? If so, why? For what reason? ...

(Data obtained on September 18, 2008)

#### **6.4. Discussion: Lifetime Employment as a ‘Total Institution’: Post-Mandatory Retirement Workers as “Outsiders-Within”**

##### 6.4.1. Summary of the findings: Post-mandatory retirement experiences of aging

In order to explore individuals’ experience of aging over the course of their working lives under the influence of the institution of lifetime employment, this dissertation research has included in its scope the experiences of aging as perceived by post-mandatory retirement workers. This chapter presented findings from the life story interview data drawn from a sample of 23 post-mandatory retirement workers, which include those of the experiences of aging since they reached mandatory retirement age (since reaching age 60).

This chapter has discussed the post-mandatory retirement experiences of aging as perceived by two categories of workers: The ‘rehired’ ( $n=12$ ) and ‘job market returnee’

( $n=11$ ) post-mandatory retirement workers. At the time of the data collection, the chronological age of the ‘rehired’ post-mandatorily-retired interview participants ranged from age 60 to 68 which corresponded to the time period between 2002 and 2008. That of the ‘job market returnee’ post-mandatorily-retired interview participants ranged from age 61 to 66, which corresponded to the time period between 2003 and 2008.

This chapter has discussed the ways in which how ‘rehired’ and ‘job market returnees,’ respectively, experienced the following three age-related areas since they ‘retired’ from their ‘lifetime employment’ organizations: (1) *perceived instances of being subject to age discrimination*; (2) *their attitudes towards the age discrimination experiences*, and (3) *their self-concepts as workers*. The findings for each of the three areas of age-related experiences are summarized as follows:

*(1) Perceived instances of being subject to age discrimination:*

Since their mandatory retirement, both categories of post-mandatory retirement interview participants had constantly contended with severe and blatant age discrimination. One of the common experiences is that, since reaching the mandatory retirement age (age 60), they had all been demoted from *regular* to *non-regular* employment status, regardless of their will. They commonly found that, in their post-mandatory retirement workplaces, the status of ‘non-regular’ employment referred to more than an employment status; it endowed with a meaning of ‘peripheral’ or ‘secondary’ workers. Due to the social stigma attached to their status, they had commonly experienced being marginalized in their workplaces in terms of their roles and human relationships at the workplaces.

The ‘rehired’ interview participants had commonly experienced being thoroughly excluded from a variety of privileges that they used to enjoy until reaching the mandatory retirement age; very dramatically demoted were such areas of their work conditions as the level of their financial compensations and organizational roles. The ‘job market returnee’ interview participants had commonly experienced being subject to and suffering from *structural de-skilling*; both in the job market and in their new workplaces, they had constantly confronted institutional age barriers to accessing opportunities or resources to update, enhance, or newly acquire work-related human capitals. The entire labor market institutional arrangement surrounding the ‘job market returnees’ had stigmatized them as being ‘too old to be worth investing in their human capital.’

*(2) Attitudes towards the age discrimination experiences:*

Since their mandatory retirement, both categories of post-mandatory retirement interview participants had drastically altered their attitudes toward their overall experiences of working under the lifetime employment institution. They had developed new, critical perspectives on the meaning of the age discrimination experiences that they had gone through including both their pre-and post-mandatory retirement working lives.

All the ‘rehired’ interview participants had come to criticize the presence of mandatory retirement rules at their ‘lifetime employment’ workplaces or organizations. As discussed in Chapter Five, up until reaching the mandatory retirement age, all the 52 lifetime employment interview participants, including all the 12 ‘rehired’ interview participants, had long embraced an opposite attitude toward mandatory retirement rules. They had commonly rationalized and thus justified this particular component of the institution of lifetime employment.

Since mandatory retirement, however, they commonly had come to view the use of mandatory retirement fundamentally irrational and thus unjustifiable for their working lives. From their perspective, mandatory retirement rules were developed and implemented at individual workplaces and in the country's labor market at large primarily for the sake of employers. Far from being a 'natural' part of the course of individuals' working lives, mandatory retirement is something that employers use and widely institutionalize as a main tool for them to facilitate pushing their 'older workers' out of their workforce. It is employers' way to facilitate their 'older, costly, not valuable' workers' transition to *retirement from the core workforce status* at their organizations. Mandatory retirement is also instrumental to employers' continuous recruitment of 'younger, less costly, and thus potentially valuable' workforce to their organizations.

The 'job market returnee' interview participants had commonly developed new, critical interpretations about the overall purpose of the institution of lifetime employment. Since their mandatory retirement, they had come to view the lifetime employment institution as a set of workforce management tools developed primarily by and for employers. Rather than benefiting both management and labor, the lifetime employment institution is instrumental to increasing vitality and efficiency of individual work organizations and the national economy at large. Interview participants' recognition of the institution's 'self-fulfilling prophecy' about workers' skill and knowledge obsolescence exemplifies their critical gaze toward fundamentally for whom the institution of lifetime employment had been developed.

*(3) Self-concepts as workers:*

Both categories of post-mandatory retirement interview participants had also experienced drastic changes in their self-concepts as workers before and after their mandatory retirement. When approaching mandatory retirement age, they commonly considered that they were becoming ‘burdens’ on their organizations. Shortly before reaching the mandatory retirement age, they had felt that they were ‘old’ and were becoming not valuable and thus believed that they needed to yield ‘their ways’ to younger age cohorts of their organizations. They had come to believe that their most important role in their ‘old age’ was to at least sequester from the ‘regular’ and thus ‘core’ status in their ‘lifetime employment’ organization.

Since reaching the mandatory retirement, the ‘rehired’ interview participants had typically ‘restored’ their self-concepts, which had once been long degraded. In their new workplaces, they had commonly come to view themselves as experienced, seasoned, and thus valuable workers as opposed to useless burdens on their workplaces. They typically ‘reversed’ their subjective age from ‘old-workers’ to those somewhere in their middle-age to old-age.

The ‘job market returnee’ interview participants had commonly begun ‘objectifying’ their internalized ageism. Distancing themselves from the social stigma attached to their chronological age and their status of being the ‘post-mandatory retired,’ they had come to re-value their long-accumulated experiential knowledge through their ‘lifetime’ careers. Since their mandatory retirement, they had also often asked themselves who ‘older workers’ really were. They also believed that they were young enough to keep working and generate contributions to their co-workers and the new workplaces at large. Despite the structural forces that kept their skills and knowledge

‘obsolete,’ they had also believed that some of their long-term working lives experiences, such as work ethics and skills to manage constructive human relations at the workplaces, were still valuable and transferable to many of the workers at their workplace, particularly younger ones.

#### 6.4.2. Structural factors affecting the post-mandatory experiences of aging: Institutional age barriers to ‘productive aging’ beyond conventional retirement age

As stated in Chapter One, this dissertation research has two goals: First, it aims to uncover the ways in which the lifetime employment institution in Japan as an age-based social control mechanism shape individuals’ experiences of aging over the course of their working lives. Second, it aims to explore institutional age barriers the contemporary labor market of Japan has developed against older workers. Data presented in the previous chapter (Chapter Five) have contributed to uncovering the ways in which the lifetime employment institution shapes the experiences of aging as perceived by individual workers over the course of their working lives.

Data presented in this chapter (Chapter Six) address the second goal as they contribute to identifying what institutional age barriers to continued employment beyond conventional retirement age the contemporary labor market institution of Japan has developed, and how current older workers experience the institutional age barriers. Today, Japan stands as a modern industrialized country that has experienced the world’s fastest population aging over the past few decades and has anticipated a more severe workforce shortage in coming decade than most other countries (OECD 2008). In this context, over



the past decade, it has been on the top of the national policy agenda to delay the retirement of current and future older workers (Williamson and Higo 2009). Findings presented in this chapter contribute to knowledge pertaining to those who seek ways to identify and diminish institutional age barriers to continued employment for older workers who are able and willing to remain in the labor force longer than they currently do.

What are the most significant age barriers to older workers' continued employment in the contemporary labor market in Japan? I argue that the persistent presence of *mandatory retirement rules* at the workplaces is a key age barrier. Mandatory retirement is one of the most characteristic employer practices constituting, and simultaneously reproduced by, the institution of lifetime employment in Japan. Based on the mandatory retirement rules, both public policy and employers have generated *the 'post-mandatory retirement' workforce* as an increasing segment of the country's labor force. I argue that *the public policy's and employers' institutionalization of the 'post-mandatory retirement' working lives as part of the course of working lives for many older workers today is the most significant age barrier that powerfully constrains opportunities and resources for workers in the country in their continued working lives beyond age 60.*

The literature has already well documented the institutionalization of the 'post-mandatory retirement' workforce as the structural factor producing and reproducing age barriers against older workers. As discussed in Chapter Two, the intersection of public policy and employers has played a key role in generating the structural contexts surrounding the post-mandatory retirement working lives. Mandatory retirement is primarily an employer initiative and practice. Instead of abolishing it, however, the

government has facilitated the institutionalization of this particular employer practice in the country's labor market by affirming it throughout the labor history of contemporary Japan. In addition, the government has generated strong financial necessities for some older workers today to remain in the labor force beyond age 60. Due to the pension reform, since 1996, workers are not eligible to receive the full benefits from the public pension schemes at least until age 65. In order to fill the gap in the income stream between mandatory retirement age (60) and full pensionable age (65), a substantial portion of older workers in the country find it necessary to remain in the labor force beyond age 60 (Williamson and Higo 2009).

In this general background, the 'post-mandatory retirement' workforce in Japan has been generated by the following interplay between public policy and employers. Through the 1998 amendment of the *Law for the Stabilization of Employment of Older Persons*, the government has obliged employers to make an effort to ensure the job security of their employees up to age 65. In exchange for this legal obligations, the government has allowed employers to terminate the employment of older workers and 're-hire' them with a substantial reduction of their work conditions including hours worked, wages, work schedule, job contents, and even workplace. In other words, employers have a considerable degree of discretion in demoting workers from regular to non-regular employment status once they reach the mandatory retirement age (Yamada and Higo, forthcoming). In summary, the literature has noted that the intersection of public policy and employer practices in Japan has generated structural age barriers to workers' remaining employed as regular employees beyond age 60— the most common age criterion for mandatory retirement.

The findings from a sample of 23 post-mandatory retirement workers in this dissertation research have contributed to uncovering how individuals experiences such structural age barriers in their post-mandatory retirement working lives. The findings have also uncovered how those who chose not to be ‘rehired’ by the ‘lifetime’ employers – the ‘job market returnees’ – experience age barriers in post-mandatory retirement working lives, which the literature has largely understudied to date. By exploring the experiences of aging as perceived by two categories of post-mandatory retirement workers, this dissertation research has presented the following three main findings, which help better understand the institutional age barriers with which current older workers in Japan are likely to contend under the structural arrangement of the ‘post-mandatory retirement’ workforce in Japan:

*(1) The case of both categories of post-mandatory retirement workers (n=23):*

The post-mandatory retirement interview participants commonly contended with negative age stereotypes attached to the ‘non-regular’ employment status. Both within their ‘lifetime employment’ organizations and in the labor market at large, ‘non-regular’ employees are given a ‘secondary’ or ‘peripheral’ status. Demotion from a ‘regular’ to ‘non-regular’ means more than a mere change made in the terms of employment; it is experienced largely as a harmful degradation in social status from the ‘core’ to ‘peripheral’ members of workplaces. Thus, these negative age stereotypes are part of the institutional age barriers to maintain social status of self-concept of being in the ‘core’ workforce after reaching age 60.

*(2) The case of the ‘rehired’ post-mandatory retirement workers (n=12):*

Since ‘rehired’ and structurally demoted to ‘non-regular’ employment status, the ‘rehired’ post mandatory retirement interview participants commonly experienced being marginalized within their ‘lifetime employment’ organizations. They were marginalized both in their work locations and human relationships at the ‘rehired’ workplaces. Their exclusion from the ‘core memberships’ of the organizations had entailed a significant degradation of their value as workers as perceived by other members of their new workplaces.

*(3) The case of ‘job market returnee’ post-mandatory retirement workers (n=11):*

Even after the complete departure from their ‘lifetime employment’ organizations at large, the institutional influence of lifetime employment had remained shaping ‘job market returnee’ interview participants’ working lives. They had commonly experienced contending constantly with social stigma attached to their ‘post-mandatory retired’ as being ‘too old to improve their employability and productivity.’ Due to this stigma, they had confronted age barriers to accessing opportunities and resources for learning and development (e.g., work-related training and education) both in the labor market and in their new workplaces. They experienced the structural age barriers primarily as the structural forces of de-skilling in post-mandatory retirement working lives.

Based on these findings, I argue that these *institutional age barriers serve as barriers to ‘productive aging’ beyond the mandatory retirement age*. As discussed earlier, age 6 is the most common age criterion set by employers for their mandatory retirement rules. Because of the creation of post-mandatory retirement workforce, however, age 60 is not the ‘conventional retirement age’ for workers in the country. As discussed earlier, over the last decade the government has indeed facilitated older workers’ continued

working lives as exemplified by its generation of the ‘post-mandatory retirement’ workforce. However, *age 60* has been institutionalized as a threshold at which workers are structurally forced to be ‘non-regular’ employees as part of the ‘post-mandatory retirement’ workforce. After reaching age 60 and becoming part of the ‘post-mandatory’ workforces, workers are likely to experience structural exclusion from the institutional protections for remaining productive in the ‘core’ workforce.

Observing the tendency of social disintegration of older adults in the United States, Bass and Caro (1995) call for achieving ‘productive aging.’ This notion refers generally to the state in which individuals are enabled to remain valuable and actively participating in social lives as long as they are able and willing to do so. Most older people today are relatively healthy and robust well into their sixties and even seventies. Even in the domain of work, older adults need to be enabled to ‘productively age’ so as to meaningfully engage in and actively contribute to their work organizations (Bass and Caro 1995).

As the findings from the post-mandatory retirement interview participants suggest, in the case of Japan, opportunities for ‘productive aging’ are structurally constrained by the contemporary labor market. The ‘post-mandatory retirement’ working lives as constructed by the interplay between public policy and employers stand as powerful and irresistible structural barriers to individuals’ productive aging after reaching age 60.

#### 6.4.3. Post-mandatory retirement workers as ‘outsiders-within’: Lifetime employment as a ‘total institution’

The discussions presented above are based on the findings from the 23 post-mandatory retirement interview participants' experiences of *being subject to age discrimination*. In this subsection, I develop and present sociological arguments based on the findings of the interview participants' two other areas of the experiences of aging during their post-mandatory retirement working lives: Changes in their *attitudes towards age discrimination experiences* and *self-concepts as workers*.

Until mandatory retirement, all the post-mandatory retirement interview participants ( $n=23$ ) experienced aging in a very similar manner as pre-mandatory retirement interview participants ( $n=29$ ). As discussed in this chapter, however, since experiencing mandatory retirement, both categories of post-mandatory retirement interview participants – the 'rehired' and 'job market returnees' –drastically changed their attitudes towards their overall experiences of age discrimination under the lifetime employment institution. From their post-mandatory retirement perspective, the lifetime employment institution was recast as a highly ageist social control mechanism, which doomed workers to be disposed of in later life largely as a result of employers' ceaseless search for greater vitality and efficiency in their workplaces and organizations. The post-mandatory retirement interview participants had also commonly experienced drastic changes in their self-concepts as workers before and after their mandatory retirement. Since mandatory retirement, most of them had commonly 'restored' their self-concepts; they had come to believe that they were still valuable as a workers and that their seasoned experiences of working lives would make contributions to co-workers, mostly younger workers, at their post-mandatory retirement workplaces.

In what follows, I deliver two sets of sociological arguments, each of which aims to contribute to understanding the post-mandatory retirement experiences of aging. In the first set of arguments, I use Goffman's (1961) sociological theory of a 'total institution' to interpret the post-mandatory retirement interview participants' critical perspectives on their overall experiences of age discrimination under the lifetime employment institution. The second set of arguments aims to explain why the 23 post-mandatory retirement interview participants had changed their views of and had developed the critical perspectives toward the experiences of age discrimination under the lifetime employment institution.

*(1) Post-mandatory retirement workers' critical perspectives: Lifetime employment as a 'total institution'*

From the post-mandatory retirement interview participants' perspectives, *what is the institution of lifetime employment in Japan, overall?* From a sociological perspective, how can we interpret their critical perspectives of the most foundational labor market institution in Japan? In this context, I point to close resonances between the interview participants' critical perspectives and one of the most enduring sociological theories of social control in modern times: Erving Goffman's (1961) concept of a 'total institution.' I argue that, from a sociological perspective, the lifetime employment institution, as perceived by the interview participants, can be understood as a form of a 'total institution' as conceptualized by Goffman.

Goffman (1961) introduces the sociological concept of a 'total institution' in his *Asylums: Essays on the Condition of the Social Situation of Mental Patients and Other*

*Inmates*. According to Goffman, the rise and prevalence of a 'total institution' in a variety of domains in social lives largely characterize modern industrialized societies. A 'total institution' refers to one of the notable form of social control in modern times, which aims primarily to control the perceptions as well as the behaviors of individuals over an extended period of times primarily for the purpose of modern bureaucratic regimentation. Prisons, mental hospitals, military camps, and boarding schools are the most representative examples of total institutions. Nonetheless, the presence of a total institution is not limited to these physically delineated establishments. Goffman develops the sociological concept of a 'total institution' as part of a wider critique of the mechanisms and regimes of social control in modern societies (Ritzer 2008).

The lives of 'inmates' under a 'total institution' are inevitably subject to manipulation of their perceptions, values, attitudes, and thus behaviors. According to Goffman (1961), the lives of individual 'inmates' under a 'total institution' are characterized essentially by the following three experiences: (1) First, individuals are part of the institution over an extended period of time; (2) second, as firmly included into the institution, individuals are structurally isolated from the rest of the larger society; and (3) finally, individuals are forced to live common, formal, and closely guided lives.

I argue that, as discussed below, these three characteristics of lives under a 'total institution' fully resonate with those of working lives under the lifetime employment institution as recalled by most of the 23 post-mandatory retirement interview participants. (1) First, the interview participants had spent at least 30 consecutive years directly under the lifetime employment institution until their mandatory retirement at age 60. In other words, the lifetime employment institution had confined them as the 'core' members – the



'inmates' – of the institution over such an extended period of time. (2) Second, It can be argued that the interview participants' common, painful experiences of 'exclusion' from the institutional framework of lifetime employment at age 60 facilitated their awareness of their long-term isolation from the rest of the larger society, from life outside the institution of lifetime employment. (3) Finally, as the findings from the 23 post-mandatory retirement interview participants' experiences of aging clearly suggest, their long-term working lives directly under the lifetime employment institution were closely guided based on their age. As an age-based social control mechanism, the lifetime employment institution was understood as social structural force serving to homogenize, standardize, and formalize their perceptions and behaviors over the course of their working lives.

Overall, these three characteristics of social life resonate with an enduring sociological concept of a *total institution*. Based on the post-mandatory retirement workers' critical perspectives, I argue that the lifetime employment institution is a form of an age-based 'total institution' found in the contemporary labor market of Japan.

*(2) From 'regular' to 'non-regular': From 'insiders' to 'outsiders-within'*

Why, since their mandatory retirement, had the post-mandatory retirement interview participants changed their attitudes toward their overall age discrimination experiences and their self-concepts as workers? My second set of sociological arguments addresses the interplay between social positions and perspective in order to answer this question.

It can be argued that the changes of the post-mandatory retirement workers' perspectives deviate from the general premise of the aforementioned *social construction of older workers* thesis. According to this thesis, as a set of powerful social structural forces, national employment institutions control and organize individuals' perceptions and behaviors over an extended period of time. Thus, it can be assumed that, even after mandatory retirement, workers' experiences of aging may still remain under the residue of the institutional control of lifetime employment. In this case, the post-mandatory retirement interview participants would have maintained affirmative attitudes toward their overall age discrimination experiences and negative self-concepts beyond mandatory retirement age.

I argue that, as discussed below, the post-mandatory retirement experiences of social exclusion and marginalization are one of the key facilitators of the change in the interview participants' attitudes and development of critical perspective toward the 'total institution' of lifetime employment.

The interplay between *social positions* and *perspectives* has been one the central concerns of sociology since its disciplinary development (Bauman 1997). Since the classical works of Simmel ([1908]1950) and Park (1937), sociologists have continuously attempted to theoretically elaborate the ways in which immigration experiences and ethnic minority status facilitate the development of distinctive perspectives on the host cultures. More recently, Haraway (1988) and Collins (1990, 1996) have expanded upon these classic works to understand how such social marginality experienced in gender and race relations helps marginalized categories of individuals to develop critical perspectives toward the dominant members of society. These authors commonly argue that

experiences of social marginalization often lead individuals to acquire opportunities and abilities to detach themselves from taken-for-granted values and mechanisms underlying the social institutions from which they are excluded.

I argue that Collins' (1990, 1996) theoretical claim of 'outsider-within' perspectives is illustrative of the ways in which the interview participants had developed critical perspectives after being excluded from the direct institutional framework of lifetime employment. According to Collins, the social status of 'outsider-within' refers to the location of individuals who find themselves in the border space between different societies. While appearing to be members of the dominant society, these individuals do not necessarily enjoy all of the privileges afforded to the indigenous members of the society (Collins 1996).

Collins (1990, 1996) argues that, while suffering from the loss or lack of privileges the marginalized individuals, due to their 'outsider-within' status location, are often able to acquire 'objectivity' in their perspectives on the values governing the dominant society. This particular 'objectivity' helps these individuals to discern the totality of goals and mechanisms of the dominant society, which the indigenous members of society take for granted. Thus, from Collins' point of view, social marginality and perspectives constitutes a unique exchange; in exchange for being excluded from the privileges of the full-fledged membership status of a group, organization, or society, an 'outsider-within' social location has potency for provoking critical perspectives with regard to the social realities of daily lives.

Applying Collins' theoretical claim to the findings of my dissertation research, I argue that the social location of the post-mandatory retirement workers can be understood

as an ‘outsider-within’ – they are the ‘outsiders-within the lifetime employment institution.’ They once were the ‘insiders’ of the institution; until reaching the mandatory retirement age, they had long been integrated into their ‘lifetime employment’ organizations as their ‘regular’ employees, the full-fledged members of the organizations. Yet, they are not fully outsiders of the institution; even after being systematically excluded from their organizations due to mandatory retirement, they still find themselves within the labor force under the remaining impact of the institution of lifetime employment.

I argue that their experiences of demotion from the ‘regular’ to ‘non-regular’ employment status can be interpreted as the transition from the ‘insider’ to ‘outsider-within’ social location. Beyond just a change in employment status, as discussed earlier, the change from the ‘regular’ to ‘non-regular’ employment status was experienced largely as a set of significant degradations of their social status. This change had also entailed an exclusion from a variety of privileges that they had kept receiving during their employment, including social labels and meanings attached to the level of their wage and organizational roles.

Since exiting the direct influence of lifetime employment, the interview participants had commonly suffered from maladjustments in their re-socializing process into the world external to the institutional privileges that lifetime employment had long provided for them. I argue that the experiences of this systematic underprivilege has enabled post-mandatory retirement workers to discern the totality of the goals and mechanisms of the lifetime employment institution.

Unlike gender relations and racial minority status, the social exclusion and marginality that post-mandatory retirement workers experiences are acquired, not ascribed, largely as a result of their long-term participation in the social construction of the lifetime employment institution. Nevertheless, Collins' theoretical depiction of the interplay between social location and perspective can be a useful framework for theoretically understanding how the post-mandatory retirement interview participants had developed a new critical perspective, which they had never developed prior to being relegated to a marginal status in the national labor market.

## **CHAPTER SEVEN:**

### **SUMMARY AND CONCLUSION**

#### **7.1. Synopsis of CHAPTER SEVEN**

*Summary of the research:* Despite the sheer amount of attention paid to the institution of lifetime employment as Japan's most foundational post-war labor market institution, individual workers' experiences of aging under the institutional framework have been markedly under-studied in the literature. Based on a social constructionist approach, this dissertation research has explored how individuals experience aging under the institution's influence. The goal of this dissertation research is to uncover the ways in which the institution, as an age-based social control mechanism, shapes individuals' perceptions and behaviors over the course of their working lives and reproduces age barriers to continued employment in later life.

*Contribution to the body of knowledge about the lifetime employment institution in Japan:* The findings of this dissertation research have, first, contributed to developing a body of knowledge about the lifetime employment institution by exploring individual workers' own perspectives on aging under the institutional framework over time.

The findings on pre-mandatory retirement experiences of aging ( $n=52$ ) have contributed to uncovering the ways in which the social status and self-concept of '*older workers*' have been socially constructed under the institution. Employers' human resource management practices, affirmed by public policy, have played a key role in structuring the course of individuals' working lives. As an intense age-based social

control mechanism, the lifetime employment institution places a strong emphasis on individual workers' chronological age to closely control their perceptions and behaviors over time. Over the course of their working lives, individual workers internalize the age-grading structural forces of the institution. As they grow older, workers come to accept the structurally defined social status of 'older workers.' By internalizing into their self-concepts the meaning of 'older workers' as 'burdensome' and 'unproductive' members of their work organizations, workers accept mandatory retirement at their organizations as a natural, taken-for-granted event in the course of their working lives.

In sharp contrast, the findings on the post-mandatory retirement workers' experience of aging ( $n=23$ ) does not resonate with the *social construction of older workers* thesis. Post-mandatory retirement workers have exited the institutional influence of lifetime employment upon reaching age 60 – the most common mandatory retirement age. Similar to the case of pre-mandatory retirement experiences, the post-mandatory experiences of aging are characterized by blatant age discrimination. However, the post-mandatory retirement experiences of drastic demotion (from 'regular' to 'non-regular' employment status), exclusion, and social marginalization have placed the workers in an 'outsider-within' social position in the country's labor market. The objectivity that characterizes this social position has enabled the workers to disassociate themselves from the institutional control of lifetime employment and to develop a critical perspective towards the institution's fundamental goals. From a post-mandatory retirement perspective, the institution of lifetime employment is recast as a 'total institution,' a tool employers used to control and manage labor in order to maintain their organizations' business performance.

*Contribution to the cross-national comparative literature:* This dissertation research has also contributed to the literature by filling the gap in the cross-national comparative literature on the impact of national labor market institutions on experiences of aging. Based on the findings, this dissertation research argues one similarity and two differences between the Anglo-Saxon and Japanese labor market models in terms of the implications for working in later life.

The similarity rests in that, in both institutional models, individuals are likely to confront age barriers to continuing their working lives in later life; albeit in different ways, both models have reproduced institutional barriers to remaining employed beyond conventional retirement age.

The two institutional models differ from one another in that, while the course of individuals' working lives still follows a *standardization* model in Japan, Anglo-Saxon countries have to a large extent transitioned to the *individualization* model. Lifetime employment provides individual workers with a highly age-based general framework for their life course transitions as it rigidly associates their chronological ages, tenure, and organizational roles over the course of their working lives. Namely, in the Japanese model, *age* remains the most decisive factor in shaping individuals' perceptions and behaviors over the course of their working lives. As the second difference, in contrast to the Anglo-Saxon model, the Japanese model gives greater flexibility to management (employers) than to labor (employees).

The literature has long noted the provision of long-term job security (until mandatory retirement) for workers as one of the major institutional characteristics of lifetime employment in Japan. In exchange for this job security, the lifetime employment



institution in Japan can be understood as a more intensely age-based social control mechanism for individuals' working lives than the labor market institutions of the Anglo-Saxon countries.

*Policy implications:* The 'post-mandatory retirement working lives structured by public policy and employers are a firmly institutionalized part of the course of working lives for many older workers in Japan today, and are characterized by significant age barriers that powerfully constrain opportunities and resources for individuals' working lives beyond age 60. As the 'lifetime employment' workforce has been downsizing over the last two decades, the number of post-mandatory retirement workers is projected to increase in the decade ahead.

This dissertation research argues that the Japanese government needs to expand its policy focus from merely increasing 'quantity of employment' (employment opportunities) to also increasing 'quality of employment' in citizens' later working lives. The findings suggest that, once having exited the lifetime employment institution, workers are likely to experience poor 'quality of employment.' To address this, both the government and employers need to give greater consideration to workers' job satisfaction, job matches, and flexible work options after mandatory retirement age. Policymakers need to look for ways to improve the existing public programs designed to assist older job seekers. Such programs need to provide older job seekers with greater support for improving their skills, productivity, and employability.

*Theoretical implications:* The findings of the post-mandatory retirement workers' experiences of aging have raised important questions for the literature, including the well-accepted social construction of older workers thesis and Goffman's (1961) enduring

sociological theory of a ‘total institution’ as a form of social control in modern industrial societies. This existing sociological knowledge does not explain how individuals’ perceptions and behaviors are re-shaped and altered after exiting the influences of a social institution such as a national labor market institution. In the case of post-mandatory retirement workers in this dissertation research, their drastic changes in attitude towards their age discrimination experiences and self-concepts have posited a unique case that the existing theories do not fully explain. Based on the findings, this dissertation research calls for further development and elaboration of these existing theoretical frameworks.

## **7.2. Summary of the Dissertation Research**

Characterized largely by the unprecedented level of aging of the population projected for the decades ahead, the 21<sup>st</sup> century’s demography is likely to generate challenges in a variety of areas of social lives. Anticipated workforce shortages are one of the major concerns commonly held among policymakers in industrialized countries. As part of the efforts to mitigate this challenge, policymakers are seeking ways to prolong older workers’ working lives beyond conventional retirement age.

In this context, over roughly the last decade sociologists of aging and the life course have begun exploring individuals’ experiences of aging under national labor market institutions with a strong focus on Anglo-Saxon countries. The labor market institutions of the U.K., the U.S., and Australia are characterized primarily by at-will employment institutions and anti-age discrimination legislation. Literature has documented that, in such Anglo-Saxon labor market institutions, typically employer

practices and public policies constitute a set of social structural forces that use individuals' chronological age to organize and control their perceptions and behaviors over the course of their working lives. In this context, researchers typically view national labor market institutions primarily as age-based social control mechanisms. Deploying age-grading forces, national employment institutions structure and reproduce over time *life courses* that individual workers are expected to follow (Marshall 2007; Walker 2005).

Against the backdrop of the looming concern about individuals' experiences of aging in the labor market, researchers commonly claim that 'older worker' is a socially constructed labor market status and self-concept. Namely, rather than being a chronologically or biologically determined category of worker, labor market institutions surrounding workers and workers' acceptances of the institution's age grading force render them to become "older workers" in the labor market.

According to the *construction of older worker* thesis, as they age, individuals are increasingly likely to be subjected to age discrimination such as unfavorable treatment based on negative stereotypes attached to their chronological age (Quadagno and Reid 1999). As they age, individuals workers are likely to come to accept, justify, and even take for granted as part of their social reality their age discrimination experiences (Levine 1989). They are likely to view themselves as older workers, who are 'over-the-hill' and thus 'need to yield the way to younger generations' (Hendricks 2006). The construction of the 'older worker' is crucial for institutionalization of retirement as part of the structuring of the life course in modern societies. By constructing 'older worker' as a social status and self-concept, industrialized societies push out of the workforce

individuals in their later working lives by rendering them obsolete via devaluating their roles (Phillipson 1998, 2004).

In my dissertation research, I have focused on the ways in which the institution of lifetime employment in Japan shapes individuals' experiences of aging over the course of their working lives. As the foundational labor market institution throughout Japan's post-war history, lifetime employment distinguishes the Japanese labor market model from the Anglo-Saxon counterparts. In sharp contrast to the Anglo-Saxon model, the Japanese labor market model is characterized by long-term job security of corporate employees and, reflecting the lack of anti-age discrimination legislation, the prevalence of mandatory retirement rules (today, usually at age 60) in the workplace. The literature has already long documented that the lifetime employment institution is a set of highly age-centric human resource management practices that are affirmed in part by the government through de facto support such as the aforementioned lack of anti-age discrimination legislation, the provision of partial salary replacement for rehired workers whose employers substantially cut their wages after mandatory retirement, and so on. As the criterion for hiring, wage determination, promotion opportunities, and retirement, age (and tenure) plays a key role in the allocation and withholding of opportunities for individuals over the course of their working lives. To date, however, research has not studied very closely individual workers' experiences of aging under the influence of the age-centric labor market institution of lifetime employment in Japan.

The goal of this dissertation research is to uncover the ways in which the institution of lifetime employment in Japan uses age to shape, control, and organize workers' perceptions and behaviors over time. To achieve this goal, this dissertation

research has taken a social constructionist approach. From the perspective of this sociological approach, individuals' perceptions and interpretations of their life experiences are seen as a reflection of the ways in which surrounding social structural forces have shaped their long-term life experiences. In this dissertation, therefore, I have explored the experiences of aging as perceived by workers who have progressed through the course of their working lives within the social structural force of the lifetime employment institution in Japan.

Based on a social constructionist perspective and the life course approach, this dissertation has analyzed life story interview data drawn from a sample of 52 male lifetime employment workers born between the years of 1940 and 1953. The data were gathered in the Tokyo area from August to December 2008. The sample consists of two categories of lifetime employment workers: Pre-mandatory retirement workers ( $n=29$ ) and post-mandatory retirement workers ( $n=23$ ). Following the standard questions raised in the literature, the life story interviews asked the 52 interview participants about three areas of age-related experience that they may have had over the course of their working lives: (1) perceived instances of being subjected to age discrimination; (2) their attitudes toward these age discrimination experiences; and (3) their self-concepts as workers. In-depth and semi-structured, the life story interviews facilitated the interview participants' recollections of their chronological progression of experiences of aging in these three areas, beginning with their first entry into the labor market, continuing through the paths of their career development, and ending with their current situation and future prospects as workers.

As one of the main research findings, while both pre-and post-mandatory retirement interview participants typically shared similar experiences of aging up until the point of mandatory retirement, the attitudes of the post-mandatory retirement workers towards the lifetime employment institution and their self-concepts as workers differed considerably from those of the pre-mandatory retirement interviewees. Furthermore, only the post-mandatory retirement interview participants were able to provide data on their experiences of aging after reaching mandatory retirement. Thus, as summarized below, I have delivered the research findings of the experiences of aging directly under the lifetime employment institution (data drawn from all 52 interview participants) separately from those of the experiences of aging after exiting the direct influence of the lifetime employment institution (data drawn only from the 23 post-mandatory retirement interview participants).

*(1) How do individuals experience aging directly under the lifetime employment institution?*

Most of the interview participants recalled that they had been subjected to age discrimination or blatant markers of age since the very beginning of their working lives under the lifetime employment institution. They reported that in varying contexts throughout their working lives they were penalized or pressured to do something because of their age – i.e. too old to be hired, too young to receive better wages, made to work excessive hours because of their youth, denied training because of being too old, and so on. Confronting strict upper age limits for hiring was the most commonly reported age discrimination experience at the time of their entry into the lifetime employment institution between roughly the ages of 18 and 26. When in their early 20s and mid 30s,

most of the interview participants experienced intergenerational inequalities due to seniority-based compensation systems; despite pressure to work longer hours than their seniors, they received significantly lower financial compensation for their labor. When in their late 30s and early 40s, they were commonly subjected to intense pressure to keep up with age-appropriate organizational roles by climbing up the ladders of promotion at their workplaces. Next came age barriers to accessing the ongoing training and educational opportunities provided by their employers to younger workers—this happened when the interview participants were in their late 40s and early 50s. Finally, from their mid to late 50s, as they approached mandatory retirement age, they commonly experienced being treated as burdens on their organizations.

Until reaching mandatory retirement age, most of the interview participants had rationalized and justified these instances of age discrimination that they had experienced over the course of their working lives. Even the mandatory retirement enforced by their ‘lifetime employment’ organizations was viewed as a meaningful event in the course of their working lives.

Most of the interview participants had constantly altered their self-concepts as workers as they progressed through the stages of their working lives. As they approached mandatory retirement age, they had commonly come to view themselves as becoming obsolete, burdensome members of their organizations. As they grew older, their subjective age had also steadily shifted from young to middle-aged to older workers, and their self-concepts as workers changed as they devalued their own roles and worth as members of their organizations. As they approached mandatory retirement age, they had

commonly considered it just that they should have to leave their 'lifetime employment' organizations for the sake of their employers and other, younger workers.

These findings clearly suggest that, similar to the findings in the literature on the Anglo-Saxon labor market institutional model, the institution of lifetime employment in Japan, too, can be understood as an age-based social control mechanism, which, until retirement, seems to very powerfully control individuals' working lives based on their age. Most of the interview participants steadily altered their perceptions (e.g., their self-concepts as workers) and behaviors (e.g., accepting and getting prepared for mandatory retirement) as they moved from one stage to the next over the course of their working lives. Furthermore, unlike the Anglo-Saxon model, under Japan's lifetime employment institution, individuals seem to experience being subjected to such social structural forces as age grading, markers of age, and age sanctions not only in their later working lives but from the very beginning of their careers. This particular finding may indicate that the Japanese labor market model is more ageist than the Anglo-Saxon counterpart; the former seems to be more intense than the latter in terms of the use of chronological age in controlling individuals' perceptions and behaviors over the course of their working lives.

Overall, the findings about the processes of individuals' experiences of aging directly under the lifetime employment institution contribute to our understanding of the social construction of 'older workers' and 'retirement' in the context of the lifetime employment institution in Japan. The construction of 'older workers' in the case of Japan not only indicates that retirement has been firmly institutionalized; it also helps explain why mandatory retirement rules are still widely in effect in most workplaces in Japan, whereas such rules have been largely abolished in the Anglo-Saxon national contexts. As



they grow older, individuals come to conform to and accept the structurally imposed label of *older workers* and to internalize the associated meaning of this label – that of becoming burdens on their organizations who deserve to be made to retire from their lifetime careers. Due largely to the powerfully constructed social status of an ‘older worker’ and individuals’ self-concepts as ‘older workers,’ most individuals under the lifetime employment institution in Japan have come to unconsciously or habitually accept the employer practice of mandatory retirement as a taken-for-granted social reality structuring their later working lives.

(2) *How do individuals experience aging after exiting the direct influence of the lifetime employment institution?*

Two categories of post-mandatory retirement interview participants include ‘rehired’ workers, who had been re-employed after retirement by their lifetime employer or an affiliated organization, and ‘job market returnees,’ who had sought work elsewhere rather than being rehired by their lifetime employer. Due to their different ways of remaining in the labor force after reaching mandatory retirement age, these categories of interview participants had gone through different experiences of aging after retirement. Nonetheless, both categories of interview participants had commonly developed a critical perspective on their overall working life experiences during their lifetime employment years.

Based on my analysis, all of the ‘rehired’ interview participants ( $n=12$ ) had commonly altered their attitudes toward mandatory retirement since experiencing substantial demotion and marginalization in their post-mandatory retirement working lives. Up until they reached mandatory retirement age, they had largely justified

mandatory retirement as a meaningful event in their lives, which would provide them with a sense of accomplishment – not unlike the sense of achievement one might feel upon graduation from an academic institution – wrapping up their long-term service to their employers. Since their mandatory retirement, however, they had come to view mandatory retirement rules primarily as a tool employers used to maintain their organizations' business performance.

All of the 'job market returnee' interview participants ( $n=11$ ) too had commonly developed a critical perspective on the overall nature and meaning of the institution of lifetime employment under which they had spent most of their working lives. They had commonly experienced age barriers to accessing public or workplace resources for updating or acquiring work-related skills and knowledge. They viewed this structural de-skilling force primarily as a 'self-fulfilling prophecy' of the lifetime employment institution. They commonly criticized the lifetime employment institution for having structurally rendered their work-related capital obsolete by denying them further education or training in job skills shortly before, during the process of, and after their mandatory retirement. Through these de-skilling experiences, most of the 'job market returnee' interview participants came to argue that, despite the long-term job security provided, ultimately the institution of lifetime employment in Japan primarily serves employers rather than equally benefits both employers and workers.

Based on my analysis, both categories of post-mandatory retirement interview participants' critical perspectives of the the institution of lifetime employment resonate clearly with Goffman's (1961) theoretical framework of a 'total institution.' From their post-mandatory retirement perspective, during their working lives directly under the

lifetime employment institution, they had been part of the institution (1) for a very extended period of their lifetimes; (2) isolated from the rest of society; and (3) forced to live common, formal, and closely guided lives. Goffman (1961) originally developed this theoretical framework to illustrate how some institutions that have developed uniquely in modern societies control individuals' perceptions and behavior over an extended period of time. Due to the long-term, structural social control, individuals are likely to suffer from maladjustments in their re-socializing process after exiting such institutions (Goffman 1961). Post-mandatory retirement workers' loss of both the extrinsic and intrinsic privileges that they had enjoyed as regular employees of their 'lifetime employment' organizations helps explain why they have developed critical perspectives. Social marginalization often helps the newly marginalized to acquire the capacity to objectify their long taken-for-granted social realities (Collins 1998; Simmler [1908]1950). Post-mandatory retirement workers' experiences of drastic demotions and marginalization in their new workplaces and in the labor market had partly facilitated their new, critical perspectives of the institution of lifetime employment in Japan.

### **7.3 Theoretical Implications: Deconstructing Social Construction of 'Older Workers'?**

It is worth noting that this dissertation research has generated two mutually-related implications for the sociological theories that are related to the findings from the data analysis: The *social construction of older workers* thesis (Marshall 2007; Quadagno and Reid 1999) and the *theory of a 'Total Institution'* (Goffman 1961). The former has

been used in this dissertation research as the theoretical framework for exploring individuals' experiences of aging directly under the lifetime employment institution (until reaching mandatory retirement age). The latter is the product of the use of a grounded theory method– semi-structured and yet open-ended interview techniques applied to the research subject have allowed this thesis to emerge unexpectedly.

(1) Implications for the *social construction of 'older worker'* thesis.

As discussed earlier, my analysis of the life story interview data of individuals' experiences of aging directly under the lifetime employment institution (presented in Chapter Five) has largely confirmed the general premise of the *social construction of 'older workers'* thesis. My research has suggested that, as workers who are crucial agents to the production, reproduction over time, and thus the institutionalization of 'lifetime employment,' the interview participants had shaped their perceptions (e.g., attitudes toward their age discrimination experiences) and behaviors (e.g., accepting and complying with mandatory retirement rules) as organized by the structural forces of the lifetime employment institution. By internalizing the structural forces of their employers' human resource management practices and public policy frameworks, interview participants have contributed to socially constructing the notion of an 'older worker' in the contemporary labor market of Japan. A main meaning attached to the social status and the self-concepts of 'older workers' is that workers in this category are primarily burdens on their organizations who do not deserve further human capital investment due to their skill and knowledge obsolescence, and who thus deserve to be made to leave their long-term careers for the sake of the well-being of their 'lifetime employment' organizations. As far as my analysis of such pre-mandatory retirement experiences of

aging is concerned, the *social construction of 'older workers'* thesis has meaningfully guided the research design and data analysis. Based on this framework, my dissertation research has uncovered, albeit in an exploratory manner, the ways in which the ideas of 'older worker' and 'retirement' have been socially constructed directly under the institution of lifetime employment in Japan.

A main implication of my research findings in relation to this theoretical framework is that this framework does not resonate with the findings from the post-mandatory retirement workers' experiences of aging (presented in Chapter Six). The *social construction of older workers* thesis has been developed and elaborated to theoretically illustrate how national labor market institutions, including institutionalized pathways to retirement, shape and organize individuals' perceptions and behaviors over an extended period of time. However, this theoretical framework does not explain what happens *afterwards* - how individuals' perceptions and behaviors are re-shaped and altered after exiting the lifetime employment institution. Therefore, my dissertation research, particularly the findings about post-mandatory retirement workers' experiences of aging, has raised important questions for the literature including this particular theoretical framework: Do the socially constructed 'older worker' social status and self-concept remain the same even after individuals are excluded from the framework of a particular national labor market institution after their long-term participation in it? Does the experience of being excluded from the direct influence of national labor market institutions lead to the deconstruction of 'older workers' as a social status and self-concept?

*(2) Implications for Goffman's 'total institution' as a form of modern social control mechanisms*

The most crucial finding from the life story interview data drawn from post-mandatory retirement interview participants ( $n=23$ ) rests in the tendency that they have altered their view toward their overall working life experiences under the institution of lifetime employment. In recalling their experiences of aging after mandatory retirement, both 'rehired' workers and 'job market returnees' commonly developed a critical perspective towards the institution's age-grading mechanisms including mandatory retirement rules. I have argued that, from their post-mandatory retirement point of view, the participants had come to see the lifetime employment institution primarily as a 'total institution,' as famously theorized by Goffman (1961).

According to Goffman (1961, 1963) a 'total institution' is one of the most prevalent and symbolic forms of social control in modern society. Goffman argues that 'inmates' of a 'total institution,' such as prison inmates, patients of asylums, and those in military, tend to commonly go through the following three re-socialization processes: (1) Being part of the institution for an extended period of their life times; (2) Being isolated from the rest of society; and (3) Being forced to live a common, formal, and closely guided life. As clarified by my analysis of the life story interview data drawn from all the 52 interview participants, these three characteristics of a 'total institution' fully resonate with the characteristics of the interview participants' working lives under the lifetime employment institution.

Despite this resonance, nonetheless, my findings of the post-mandatory retirement interview participants' ( $n=23$ ) experiences of aging after mandatory retirement have

posited at least two significant implications. These implications may be sources for Goffman's well-cited, enduring sociological theory of the 'total institution' to be further elaborated in order to be more useful analytical framework for individuals' experiences of social control in contemporary society.

First, Goffman's conceptualization of 'total institution' and the subsequent sociological research that relies on this conceptual framework conventionally refer to a total institution as physically delineatable entities that are developed uniquely in modern society. In this context, examples of such cases include prisons, military institutions, and asylums, where strong social control is consciously and visibly imposed upon its inmates. As this research findings suggest, after they exited the lifetime employment institution (via reaching mandatory retirement age), post-mandatory retirement interview participants commonly acquired a critical perspective towards the goals of the lifetime employment institution. That is, they commonly viewed it as a manipulative, powerfully controlling social system. In this sense, they have come to describe the lifetime employment institution primarily as a 'total institution' as theorized by Goffman. To date, the literature does not fully engage in explaining why and how individuals themselves may come to develop a perspective that interprets the 'social realities' surrounding their daily and long-term life experiences in ways that make them appear as a 'total institution,' as conceptualized by Goffman.

Second, Goffman observes that after exiting a 'total institution,' individuals are likely to suffer from maladjustments in their resocialization process into the outside social world. However, his observations and theorization of a 'total institution' are not extended to cover whether or not the post-prison inmates, for instance, develop critical

perspectives towards the ways in which their lives were organized within their institutional frameworks.

As discussed in Chapter Six, I utilized Simmels' ([1908]1950) and Collins' (1996) sociological theories of outside-within perspectives in order to complement these limitations of Goffman's 'total institution' framework. My argument is that the 'outsider-within standpoint' framework need to be added to fully explain post-mandatory retirement workers' critical awakening to the ways in which they had been controlled by the lifetime employment institution. With the theories of outside-within perspectives, I have delivered a theoretical account of how post-mandatory retirement workers' 'outsider status' within the country's labor market facilitated their new, critical perspectives towards the lifetime employment institution. I argue that my findings from the life story interview data of the post-mandatory retirement workers call for a further elaboration of Goffman's theory of a 'total institution.' Furthermore, I suggest that post-mandatory retirement workers' critical perspectives may reflect an ongoing de-construction of 'older workers' in Japan's labor market in the midst of current changes to the lifetime employment institution.

#### **7.4. Limitations of the Dissertation Research: Limits in the Use of the Life Story Interview Method**

The empirical data used in this dissertation research are life story interview data drawn from 52 lifetime employment workers residing in the Tokyo area. In closing, I note that, while it was certainly appropriate and useful, the use of this particular data



collection method has inevitably generated two main limitations in this dissertation research. The limitations are found in addressing the core question of this dissertation research: How does the institution of lifetime employment, as the foundational institution of Japan's national labor market, shape individuals' experiences of aging over the course of their working lives?

The first main limitation stems from potential inaccuracies or incompleteness of subjects' recollections. Life story interviews seek research subjects' retrospectives of their long-term life experiences; research subjects are asked to look back and try to build up an understanding of their lives 'up-to-now' (Kvale 1996). To be fully reliable, data obtained through life story interviews should document research subjects' clear recollections and understanding of the present from which the past is narrated and interpreted (Alheit 1994; Kvale 1996).

As a data collection method, the life story interview often necessarily relies on the research subjects' recollection of life experiences as perceived by them. As Goodson and Sikes (2001) notes, however, human recollection and retrospection inevitably entail some loss of memory about life events that might have occurred and potentially significantly shaped their perspectives on their past and current life experiences. Thus, when utilizing the life story interview method, there is a possibility that the interview participants' recollections do not fully reflect all the important events of their working lives that might have significantly shaped and organized their perceptions and behaviors as lifetime employment workers. Thus, the findings of this dissertation research do not necessarily fully uncover the ways in which structural factors of the lifetime employment institution – employer practice, public policies, and major age-related events in their working lives –

shaped the interview participants experiences of aging over the course of their working lives.

The second limitation in this dissertation research rests in the regional restriction of the sampling for the data collection procedure. All 52 contributors to the life story interview data were in the Tokyo area. As the very center of Japan's economy, industrialization, and national government, the workplaces and organizations located in the Tokyo certainly embody the mainstream of the country's national labor market institutional model (Dore 2004). However, as Seike and Yamada (2004) notes, when closely observed, labor relations, organizational structures, and workplace cultures in Japan show considerable variations by region. This may imply that the ways in which individual workers experience aging also significantly differ between the Tokyo area and other large cities in the country such as Osaka, Fukuoka, and Nagoya. Even under the same policy framework developed by the national government, organizations and individual workplaces in those cities might have developed distinctive ways of using age to organize and control the local individuals' life course transitions. Thus, we need caution in concluding that the findings from my dissertation research represent the experiences of aging as perceived by those individuals across the entire country who have spent most of their working lives under the institution of lifetime employment.

## **7.5. Contribution 1: Understanding How Individuals Experience Aging under the Lifetime Employment Institution**

This dissertation research has contributed to the body of the literature on the institution of lifetime employment in Japan. As discussed in Chapter One, since roughly the late 1950s, institutional and personnel economists around the world have recurrently focused on the lifetime employment institution. The literature has discussed the institution primarily as the interplay between employer practices and public policy that helps to explain Japan's exceptional economic growth during the three decades after World War II (Vogel 1979). To date, what had been studied conspicuously insufficiently in the literature was how individual workers –key players in the workings of the institution – experience the institution's impact on their lives over an extended period of time.

The literature had long documented that age plays a central role in the structural framework of the lifetime employment institution in Japan. Both employers and public policy rely on age to allocate and limit opportunities for individual workers and to construct and reproduce practices and outcomes of the institution as the country's foundational labor market institution. Given the self-evident age-centric nature of the lifetime employment institution in Japan, little systematic inquiry has been done to explore how individual workers perceive their experiences of aging under the institution.

As one of its main contributions to the literature, this dissertation research has helped to fill a gap by exploring lifetime employment workers' experience of aging over the course of their working lives. As has long been documented in the literature, the lifetime employment institution largely protects individual workers' long-term job security until mandatory retirement. However, the findings from my dissertation research suggest that, while protecting job security, the institution does not protect individual

workers from being subjected to age discrimination either during their employment directly under the institution or after exiting the institution.

Based on the life story interview data obtained from 52 lifetime employment workers in the Tokyo area, this dissertation research has contributed to obtaining knowledge of how individuals experience aging under the influence of the lifetime employment institution. To individual workers, the lifetime employment institution may be understood primarily as a very intense age-centric social organization scheme, which has structured the course of their working lives and tightly guided their transitions over the course of their working lives by a variety of age grading forces. Over the course of their working lives under the institution, individual workers are prone to constant confrontation with age discrimination in the forms of age markers, status passages, and even age sanctions. Including their acceptance of mandatory retirement corporate policies, workers' transitions over the course of their working lives and their self-concepts as workers are closely controlled by the lifetime employment institution.

#### **7.6. Contribution 2: Filling the Gap in the Literature - Comparing the Anglo-Saxon and Japanese Labor Market Institutional Models**

The findings from this dissertation have also contributed to knowledge that is useful for drawing cross-national and cross-institutional comparisons of the ways in which national labor market institutions impact individuals' experiences of aging. As mentioned in Chapter One, the literature on this subject has to date focused almost exclusively on the case of the Anglo-Saxon labor market institutional model. In my

dissertation I have focused on one of the non-Anglo-Saxon cases, namely, the case of the Japanese labor market institutional model, which is characterized primarily by the institution of lifetime employment. Findings from this dissertation research contribute to filling the gap in the literature by depicting differences and similarities between these two different labor market institutional models. These findings may serve as a source of information to generate or contribute to further comparative studies on how similarly or differently these two labor market institutional models shape individuals' experiences of aging and older workers' opportunities for continued working lives beyond conventional retirement ages. Below I outline two differences and one similarity between the two models, which I identified on the basis of the findings of my dissertation research.

The first difference between the Anglo-Saxon and Japanese models is found in the way in which the course of individuals' working lives is constructed. As discussed in Chapter One, the labor markets of the U.K., U.S., and Australia have long transformed their model of individuals' working life courses from the *standardization* to the *individualization* model (Shanahan 2000). Under the *standardization* model, the sequential order of individuals' life transitions over the course of their working lives was largely standardized; the social norms of 'appropriate ages' in terms of when to complete schooling, enter the labor force, and retire from working lives were clear and widely adhered to among individuals. The literature suggests that, today, the course of one's working life in the Anglo-Saxon model has come to be largely diversified and individualized; *age* is no longer the single most powerful factor shaping individuals' working life experiences and their future prospects in the labor market (Dore 2004; Setterstein 2003). Compared to the Anglo-Saxon model, I argue, the Japanese counterpart

has maintained *standardization* of the course of individuals' working lives. As suggested by the findings presented in Chapter Five, the lifetime employment institution in Japan provides individual workers with a highly age-based general framework for their life transitions as it rigidly associates their chronological ages, tenure, and organizational roles. In contrast to the case of the Anglo-Saxon model today, age seems to be the most decisive factor in shaping individuals' behaviors, subjectivities, and experiences over the course of their working lives.

The second difference involves the level of *flexibility* in employer-employee labor relations. The literature indicates that in the Anglo-Saxon labor market, institutional model flexibility has risen over the last decade on both the sides of management (employers) and labor (employees). For example, employers possess a high level of flexibility in their workforce management and adjustment under the institution of at-will employment. The increasing prevalence of 'flexible work options' indicates that individual workers have also gained a greater degree of flexibility than they once had in deciding their work options and labor market behaviors at large (Phillipson 1998, 2004).

However, in the Japanese model, I argue, a substantially greater level of flexibility has been given to management (employers) over labor (employees). As suggested by the findings presented in Chapter Five and Chapter Six, employees under the lifetime employment institution get very little flexibility in terms of their wages, work schedules, and promotion opportunities. Of particular note is a finding from the post-mandatory retirement workers presented in Chapter Six. Individual workers under the lifetime employment institution have very little flexibility not only in the timing of their retirement but also in the ways that they retire from their 'lifetime employment'

organizations and often seek continued employment thereafter. Post-mandatory retirement workers seem to be forced to experience ‘bridge job’ – usually because of an economic need to continue working – rather than choosing to do so based on their own flexibility. Employers, in exchange for providing workers with a high level of job security during their employment, are given a considerable degree of discretion in determining the ways in which they allocate organizational and workplace-based resources for their employees’ working lives.

Finally, I argue that the Anglo-Saxon and Japanese labor market institutional models share with one another at least one similarity. In both institutional models, it seems that individuals are likely to confront age barriers to continuing their working lives beyond conventional retirement age. As the literature suggests, workers’ flexibility in the Anglo-Saxon model in turn entails their individual responsibility for the consequences of their labor market decisions and behaviors. Along with the low level of employment security and the high level of labor market mobility, older workers in the Anglo-Saxon model still tend to confront institutionalized age barriers to hiring. Similar to older workers in the Japanese model, they tend to experience fewer opportunities than younger workers for re-training, promotion, and retaining jobs. Other than legislation against age discrimination, in the Anglo-Saxon model there is no counter-institutional protection for older workers (Macnicol 2006; Marshall 2007). Similarly, as suggested by the findings presented in Chapter Six, the Japanese model, too, casts older workers as a very vulnerable segment of the country’s workforce once they exit the institutional protection of lifetime employment. This similarity suggests that across the labor market institutional

models, in the paid labor markets of highly industrialized countries with capitalist societies, older workers seem to be cast as a vulnerable segment of the population.

### **7.7. Contribution 3: Policy Implications – Working beyond (Mandatory) Retirement in the Midst of the Institutional Changes**

Over roughly the last decade, sociologists of aging and the life course have been exploring institutional age barriers to older workers' continued employment beyond conventional retirement age and examining evidence for discrimination or institutionalized ageism that individuals are likely to confront in their later working lives. Such research aims to generate sources of policy suggestions for those who seek ways to mitigate the workforce shortage anticipated for the decade ahead by promoting older workers' continued employment beyond conventional retirement age. As a country whose population and workforce are the world's most rapidly aging, Japan faces the greatest pressure to uncover such age barriers and find ways to prolong citizens' working lives in general and those of current older workers, including the baby boom generation, in particular (Williamson and Higo 2007, 2009).

In the case of contemporary Japan, the findings from my dissertation research suggest, one of the most powerful institutional age barriers to older workers' continued employment has been generated by the mandatory retirement rules, which require retirement at age 60 at most workplaces in the country. Yet, in my dissertation, I argue that the employers who practice this method of human resource management (or workforce adjustment) are merely one of the actors contributing to the structure of this



institutional age barrier. Another major actor rendering this particular employer practice such a powerful labor market institutional age barrier is public policy. The Japanese government has long affirmed the presence of the mandatory retirement rules without taking a strong initiative to abolish them as has occurred in the U.K., the U.S. and Australia. My dissertation research also suggests that, since the forces that structure the course of their working lives are very powerful, workers habitually comply with and internalize the structural forces as part of the taken-for-granted social realities surrounding their working lives. In my dissertation research I have illustrated that institutional age barriers such as mandatory retirement have led to the social construction of ‘older workers’ in Japan’s labor market today. Moreover, as some post-mandatory retirement workers have experienced, the lack of public policy provisions to assist them with improving their productivity and updating their work-related human capital has been one of the most critical institutional age barriers to older workers’ continued employment. This lack of public policy on older workers’ behalf acts as a major structural force that produces and reproduces over time both the concept and the reality of the post-mandatory retirement workforce as being a non-regular, stigmatized, and thus marginalized segment of the country’s workforce. Overall, the socially constructed status and concepts of ‘older workers,’ ‘retirement,’ and the ‘course of working lives’ are themselves institutional age barriers that policymakers in Japan need to critically examine.

Below, I outline three sets of discussions as potential sources for policy suggestions for policymakers in Japan who have been seeking ways to promote and achieve ‘productive aging’ (Bass and Caro 2001) in contemporary aging Japan. The three sets of discussions include (1) general policy direction; (2) two specific strategies

for following the general policy direction; and (3) a potential adverse effect of public policy endeavors to continually promote older workers' employment beyond conventional retirement age.

(1) *The government may need to shift their policy focus from merely 'quantity of employment' to both 'quantity and quality of employment' in later life.*

As discussed earlier, under the framework of the 2004 amendment of the 1971 *Law Concerning Stabilization of Employment of Older Persons*, the government has been taking initiatives to promote older workers' employment beyond age 60 – the most conventional retirement age in the contemporary labor market of Japan. The government has been using two avenues to achieve this goal: placing employers under obligation to make efforts to retain their older employees in some capacity at least until age 65 (via 'rehiring'); and providing employers with a de facto subsidy program aiming to relieve the financial burden of retaining older workers (via the *Employment Continuation Benefit for the Aged*). In addition, for older job seekers – typically, those who return to job market after mandatory retirement – the government has provided employment placement services through the Silver Human Resource Center programs. As discussed earlier, employment rates among those age 60 and older are substantially higher for Japan than for most other industrialized countries today. This tendency may reflect the thorough efforts that the government has been making over the last decade to retain older workers in the labor force beyond the conventional retirement age (Williamson and Higo 2009).

To date, however, Japanese policymakers have been concerned primarily with 'quantity of employment' (job availability) rather than 'quality of employment' in later life. My findings from post-mandatory retirement workers' experiences of aging suggest,

albeit in an exploratory manner, that they are likely to experience poor ‘quality of employment’ once they go beyond conventional retirement age. ‘Rehired’ post-mandatory retirement workers are likely to experience drastic demotions, and the ‘job market returnee’ counterparts are likely to go through structural forces of de-skilling because of the social stigma attached to their age and status as ‘post-mandatorily retired.’ In either case, once having reached the mandatory retirement age, workers in the contemporary Japanese labor market are likely to be structurally rendered non-regular, marginal, and thus insignificant members of the country’s workforce.

If ‘quantity of employment’ refers mainly to whether individuals are in the labor force working as measured by employment rates and labor force participations rates, ‘quality of employment’ may refer to conditions of working lives that provide workers with the motivation to voluntarily increase their productivity and organizational loyalty (Shultz and Binstock 2008). To increase quality of employment, individual workplaces and the labor market at large need to give greater consideration to workers’ job satisfaction, job matches, and flexible work options (Sloan Center on Aging & Work 2010).

It is worth noting that ‘quantity’ and ‘quality of employment’ are not mutually exclusive; in addition to promoting employment quantity (job availability), the content of jobs can be, indeed needs to be, improved simultaneously. Thus, I suggest that Japanese policymakers consider pursuing a major paradigm shift in their policy objective: Policymakers need to continue to strive to increase the number of older workers remaining in the labor force beyond mandatory retirement age, and at the same time, they need to seriously adjust their policy strategies with the goal of also improving those older

workers' quality of employment. Research suggests that if workers are engaged, they will continue working longer; if they are not engaged, they will drop out as soon as they can because of low engagement and poor quality of work (James, Swanberg, and McKechnie 2008). Therefore, improvement of 'quality' of employment should lead to increasing 'quantity' of employment as well.

Making greater efforts to improve quality of employment will be increasingly important over the decade ahead. As discussed in detail in Chapter Two, over the past two decades, Japan's labor market has been gradually but certainly changing due partly to the downsizing of the lifetime employment institution through a decline in the number of employers who maintain the institution's practices (OECD 2004). As the nation experiences changes to the age composition of its workforce (i.e. graying of the workforce), Japan's labor market is likely to produce more workers who have exited the institution but continue to supply labor outside the institutional framework of lifetime employment. This trend implies that for the decade ahead, there will be more workers who develop a critical perspective of the ways in which the national employment institution controls the course of individuals' working lives. This might place both public and corporate policies in Japan under pressure to critically examine and potentially reform the lifetime employment institution.

*(2) Two specific directions to achieve both quantity and quality of employment in later life: Maintaining the institutional protection for job security while strengthening older job seekers' employability.*

In order to pursue both the quantity and quality of employment in later life, I suggest Japanese policymakers consider pursuing two approaches. First, the

policymakers should make an effort to maintain the institutional protection for long-term job security for workers, which has long been a fundamental characteristic of lifetime employment. Second, while maintaining job security for those who are employed under the lifetime employment institution, Japanese policymakers need to look for ways to improve the existing public programs designed to assist older job seekers with finding employment after exiting the institution. In particular, it might be effective to substantially increase the support to improve their skills, productivity, and employability by increasing and improving the training and educational opportunities made available through the Silver Human Resource Center program.

Generally, the first suggestion is to maintain the overall institutional framework of lifetime employment, rather than actively pursuing the dismantling of the institutional legacy. As discussed earlier, the lifetime employment institution in Japan is characterized by employers' greater flexibility than workers have in deciding the terms and conditions under which employees work, including the employer practice of forcing workers to retire through mandatory retirement rules. Simultaneously, as a major characteristic of the Japanese labor market institutional model, the institution typically provides workers with long-term job security (until reaching mandatory retirement age). As discussed in Chapter Two, the level of job security experienced among workers in Japan is substantially greater than that of many other industrialized countries.

The literature often notes that the institution of lifetime employment, with its high level of long-term job security, has largely become a thing of the past in the Anglo-Saxon labor market. If this is the case, should Japanese policymakers follow the same path as that of the Anglo-Saxon countries? One potential direction for Japanese policymakers to

consider might be to substantially, if not fully, abolish mandatory retirement rules at most workplaces by legislating anti-age discrimination labor laws.

Nonetheless, I argue that Japanese policymakers need to keep in mind that, while it is steadily declining in frequency of practice, the provision of long-term job security is clearly one of the strengths of the Japanese labor market institutional model. This is the case particularly in our current times of global economic recession. As far as the Western industrialized countries are concerned, historically there has been a relationship between economic recession and labor force participation among older workers (Walker 2005). During an economic downturn, older workers are the first segment of the workforce who are discouraged from remaining in the labor force often for the sake of yielding employment opportunities to younger job seekers (Macnicol 2006). However, if retaining current older workers in the labor force beyond age 60 is one of the top national priorities, Japanese policymakers should maintain the institutional long-term job security that the lifetime employment institution typically provides for workers.

Second, if, as Lazear (1979) argues, the practice of mandatory retirement inevitably results from the provision of long-term job security, I argue that Japanese policymakers need to look for ways to improve ‘quality of employment’ for those who are systematically excluded from the institutional job security due to mandatory retirement. Combined with the knowledge drawn from existing literature, the findings of my dissertation research suggest that the Japanese labor market model, and the institution of lifetime employment in particular, both benefits and hurts Japanese workers..

On the one hand, workers tend to benefit from the lifetime employment institution, particularly from its institutional protection of job security, if they do not want to or need

to remain in the labor force after reaching the mandatory retirement age. On the other hand, workers who need to and want to remain in the labor force after reaching mandatory retirement age are hurt most severely by the practices of the lifetime employment system. The second policy suggestion I present in this context is concerned with those who need to and are willing to remain in the labor force after reaching mandatory retirement age, namely, ‘job market returnee’ post-mandatory retirement workers.

For the ‘job market returnee’ post-mandatory retirement workers, I suggest that Japanese policymakers should find ways to improve, or even thoroughly redesign the Silver Human Resource Center program--the most representative employment placement public service specifically targeting older job seekers in the country. My dissertation research uncovered that, due largely to the social stigma attached to their age and social status as the ‘post-mandatorily retired,’ ‘employability’ of some ‘job market returnees’ is structurally blocked despite their ability to work and strong desire to remain as productive as they used to be. Most ‘job market returnee’ interview participants in my dissertation research were forced to shift their labor market status from regular to non-regular. As non-regular workforce members, they commonly experienced substantial cuts in wages, downgraded organizational roles, weaker social protection, and fewer, if any, opportunities to enhance their human capital through education or job skills training.

Also, as discussed in Chapter Two, under the lifetime employment institution, generally, the longer workers serve their employers, the more likely they are to be endowed with higher levels of firm-specific skills. This is a product of *long-term, in-company human capital investment* (Ono 2007). A main implication of this institutional

impact on individuals' later working lives is that their human capital tends to be irrelevant and nontransferable to other employers once they exit from their 'lifetime employment' organizations.

To address these structural constraints about older workers' ability to seek and obtain the quality of work that they would like to have in later life, Japanese policymakers may need to allocate more resources to training and education for older job seekers. The Silver Human Resource Center program may continue to assist older job seekers in linking with prospective employers. In addition to efforts to ensure the availability of 'quantity of employment' for older job seekers, the government needs to more proactively provide older job seekers with a variety of public assistance aiming to enhance their human capital and thus employability. Potential examples include programs that would assist older job seekers to obtain 4-year college degrees as well as graduate and professional degrees. Consultant services aiming to close potential mismatches between older job seekers' interests and desires in their post-mandatory retirement careers and the job vacancies in the labor market would be another important approach to improving the quality of employment in their later working lives. Perhaps most importantly, the Silver Human Resource Center may be partially redesigned to make it a more proactive older worker advocacy agency in the country. Through such potential services and activities, this public program may also contribute to de-institutionalizing one of the most harmful effects of the lifetime employment institution on older workers – the social stigma of the 'post-mandatorily retired' as obsolete workers.



*(3) The government may need to take great caution concerning potential adverse effects of their continued efforts to increase both quantity and quality of employment in later life.*

Finally, it is worth noting that Japanese policymakers need to take great caution concerning the potential adverse effect of promoting either quantity or quality of employment for older workers on another segment of the country's workforce. In this context, I argue that the government must also pay attention to younger workers, particularly, those young workers currently finding it hard to obtain suitable employment. Japanese policymakers may face some difficult tradeoffs if they try to solve the projected labor force shortage primarily by promoting efforts to retain more older workers in the labor force without also facilitating more younger job seekers' participation in the labor force, particularly in the workplaces covered by the lifetime employment institution.

To the extent that Japan continues to promote efforts to keep older males in the labor force, there is the risk that such efforts will reduce the number of jobs available to younger workers. This would not only lower the labor supply for younger workers, it would also run the risk of producing an increasing percentage of younger workers developing what Japanese employers consider to be bad work habits, a charge made about many young adults who move from one low-paying temporary or part-time job to another for several years without seeking stable, continuous employment, thus making it difficult for them ever to get good jobs (Williamson and Higo 2007).

Some European countries, the United Kingdom, Norway, and France, in particular, have historically experienced this intergenerational tradeoff over the last few decades (Higo and Lee, forthcoming; Macnicol 2006). Japanese policymakers may well benefit

from a close analysis of these countries' experiences in balancing public support for younger and older workforces. Given the unprecedented level of demographic pressure, there is certainly the need to find ways to prolong the working lives of current older workers beyond the mandatory retirement age. These ways, nonetheless, should not have a substantial negative impact on labor force participation rates among younger workers.

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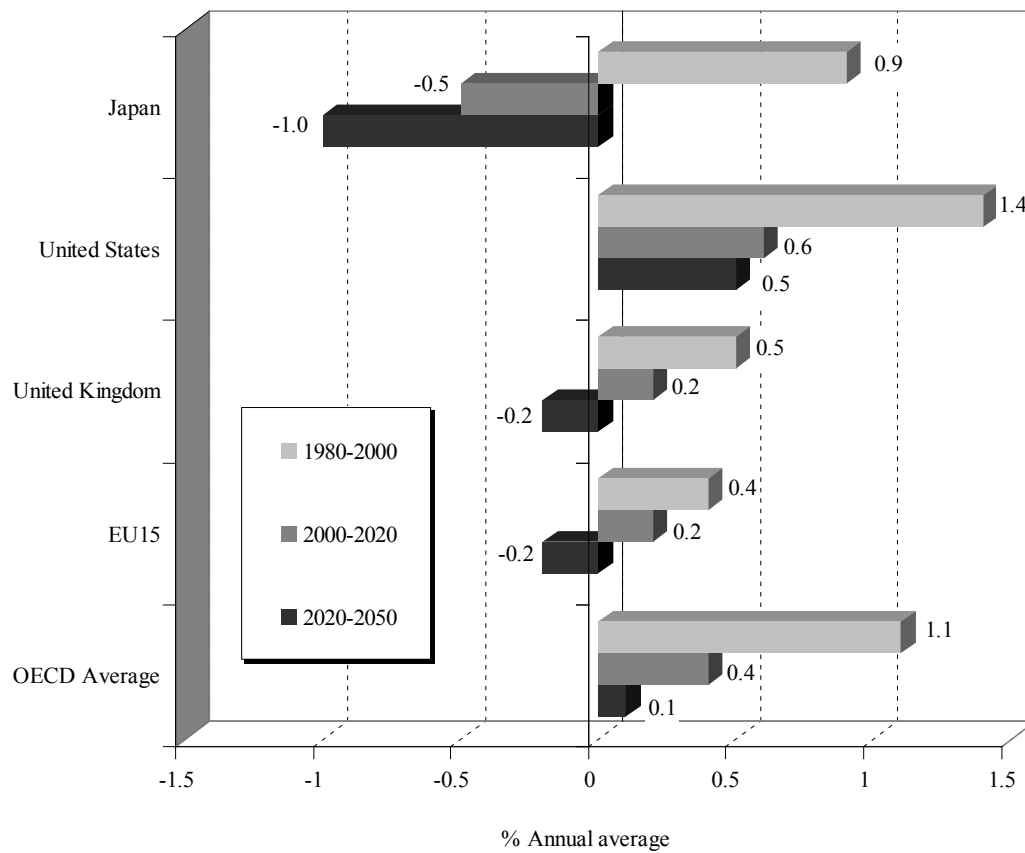
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## FIGURES AND TABLES

**Figure 1.** *Historical and projected labor force average annual growth for the years 1980 through 2050 by country (%).*

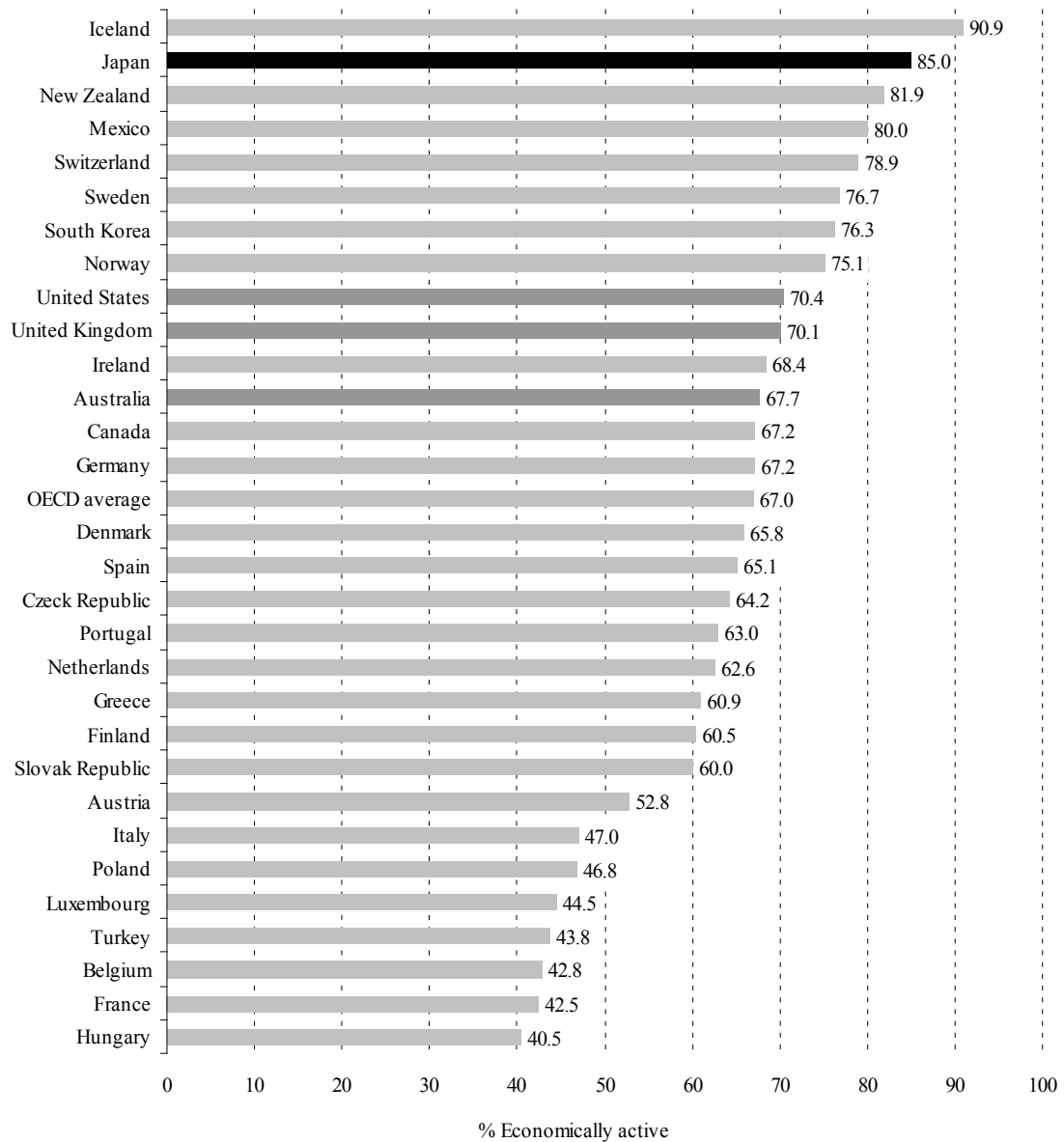


Source: This figure is based on data drawn from Japanese Ministry of Health, Labor and Welfare (2005).

**Table 1.** *US vs. Japan comparison – labor market institutions & older worker labor market behaviors*

	Anglo-Saxon Model	Japanese Model
Labor Market Institution	At-Will Employment	Lifetime Employment
Labor Mobility	Higher	Lower
Worker Tenure	Shorter	Longer
Retirement Policy	Anti-Age Discrimination	Mandatory Retirement
Older Worker Employment Security	Lower	Higher
Labor Force Participation	Lower	Higher
Effective Retirement Age	Lower	Higher

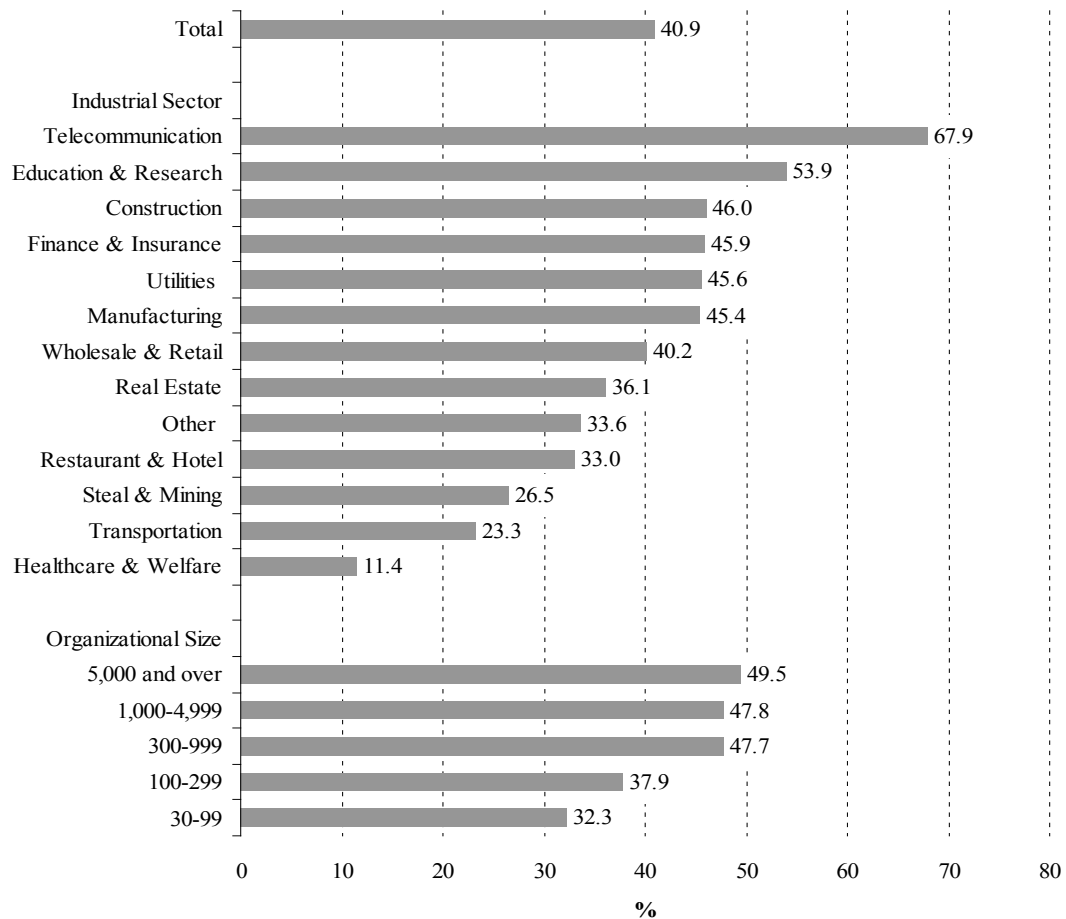
**Figure 2.** *Percent economically active among men age 55 to 64 in the OECD countries as of 2008.*



Source: This figure is based on data drawn from Organization for Economic Co-operation and Development (2010).



**Figure 3.** *Percent employers in Japan who reported that they formally set upper age-limits for hiring, by industrial sector and organizational size, as of 2008.*



Source: This figure is based on data drawn from *The 2009 Survey on Employment Management* (Japanese Ministry of Health, Labor and Welfare 2009).

Note: This survey was conducted among a nationally representative sample of 1,024 employers in Japanese private sector workplaces with 30 employees and over. The response rate of this survey was 76.5 percent (Japanese Ministry of Health, Labor and Welfare 2009).

**Table 2.** *Upper age limits set for hiring college-educated\* job seekers in Japan, by industrial sector and organizational size, as of 2008 (%).*

	(%)		
	Upper age-limits for hiring college-educated job seekers		
	24 and younger	From 25 to 29	From 30 to 34
Total	19.4	43.8	36.7
Industrial Sector			
Steal & Mining	17.6	39.2	43.2
Construction	20.7	48.3	31.0
Manufacturing	11.4	44.5	44.1
Utilities	31.1	43.1	25.8
Telecommunication	29.1	62.2	8.7
Transportation	14.5	29.7	55.7
Wholesale & Retail	20.6	43.7	35.7
Finance & Insurance	25.0	62.0	12.9
Real Estate	26.1	37.5	36.4
Restaurant & Hotel	41.3	20.7	37.9
Healthcare & Welfare	4.5	46.8	48.8
Education & Research	21.5	42.5	36.0
Other	25.0	39.2	35.7
Organizational Size			
5,000 and over	7.6	77.4	15.1
1,000-4,999	24.8	54.9	20.4
300-999	17.9	54.5	27.7
100-299	25.2	49.5	25.3
30-99	17.2	39.8	43.0

Source: This table is based on data drawn from *The 2008 Survey on Employment Management* (Japanese Ministry of Health, Labor and Welfare 2009).

\* College education includes 2-year college, 4-year college, post-graduate school, and professional school (e.g., medical or law schools).

Note: This survey was conducted among a nationally representative sample of 1,024 employers in Japanese private sector workplaces with 30 employees and over. The response rate of this survey was 76.5 percent (Japanese Ministry of Health, Labor and Welfare 2009).

**Table 3.** *Percent employers in Japan who promoted ‘non-regular’ employees to ‘regular employee’ status during the previous year, by industrial sector, organizational size, and job category, as of 2008.*

	(%)			
	Job Category			
	Managerial	Skilled/ Qualified	Non- Managerial	Non-skilled/ Non-qualified
Total	10.8	12.5	14.4	15.1
Industrial Sector				
Steal & Mining	25.0	25.0	37.5	37.5
Construction	13.1	17.7	11.3	13.2
Manufacturing	8.5	16.2	20.3	21.3
Utilities	9.3	20.9	13.6	20.9
Telecommunication	7.7	15.2	10.0	7.4
Transportation	7.2	7.3	15.1	10.5
Wholesale & Retail	15.6	11.2	14.9	15.9
Finance & Insurance	4.4	1.8	10.6	3.9
Real Estate	2.5	2.5	10.5	7.0
Restaurant & Hotel	14.2	14.3	13.5	15.9
Healthcare & Welfare	6.5	9.2	6.2	5.9
Education & Research	9.2	18.3	12.9	14.5
Other	10.0	9.8	7.8	11.0
Organizational Size				
5,000 and over	7.0	13.5	14.6	21.7
1,000-4,999	9.1	14.1	17.8	20.6
300-999	12.4	16.1	19.1	20.7
100-299	12.6	16.2	18.8	18.3
30-99	10.0	10.7	12.1	12.9

Source: This table is based on data drawn from *The 2008 Survey on Employment Management* (Japanese Ministry of Health, Labor and Welfare 2009).

Note: This survey was conducted among a nationally representative sample of 1,024 employers in Japanese private sector workplaces with 30 employees and over. The response rate of this survey was 76.5 percent (Japanese Ministry of Health, Labor and Welfare 2009).

**Table 4.** “How would you evaluate a ‘Freeter’ as a potential job applicant to your organization?” – Distribution of Japanese employer survey responses by industrial sector and organizational size, as of 2007 (%)

	Employer attitudes toward a ‘Freeter’ as their job applicant			
	Evaluate negatively	Evaluate positively	Not affect hiring decision significantly	Don't know
Total	61.9	3.6	30.3	4.2
Industrial Sector				
Steal & Mining	62.5	3.6	33.9	-
Construction	63.3	2.1	30.8	3.8
Manufacturing	57.7	3.3	34.1	4.9
Utilities	59.8	2.2	34.8	3.3
Telecommunication	58.0	0.1	39.1	2.7
Transportation	70.6	4.7	17.8	6.9
Wholesale & Retail	59.7	4.3	32.2	3.8
Finance & Insurance	52.1	1.7	39.5	6.6
Real Estate	57.4	1.1	36.2	5.2
Restaurant & Hotel	66.7	7.2	22.6	3.5
Healthcare & Welfare	56.6	7.9	27.9	7.6
Education & Research	70.6	1.9	24.4	3.1
Other	66.6	4.2	27.1	2.1
Organizational Size				
5,000 and over	62.6	1.8	34.2	4.6
1,000-4,999	61.9	1.4	33.2	3.4
300-999	60.1	2.4	34.1	3.4
100-299	60.3	2.9	33.7	3.1
30-99	56.3	4.1	28.8	8.2

Source: This table is based on data drawn from *The 2007 Survey on Employment Management* (Japanese Ministry of Health, Labor and Welfare 2008).

Note: This survey was conducted among a nationally representative sample of 1,508 employers in Japanese private sector workplaces with 30 employees and over. The response rate of this survey was 72.8 percent (Japanese Ministry of Health, Labor and Welfare 2008).

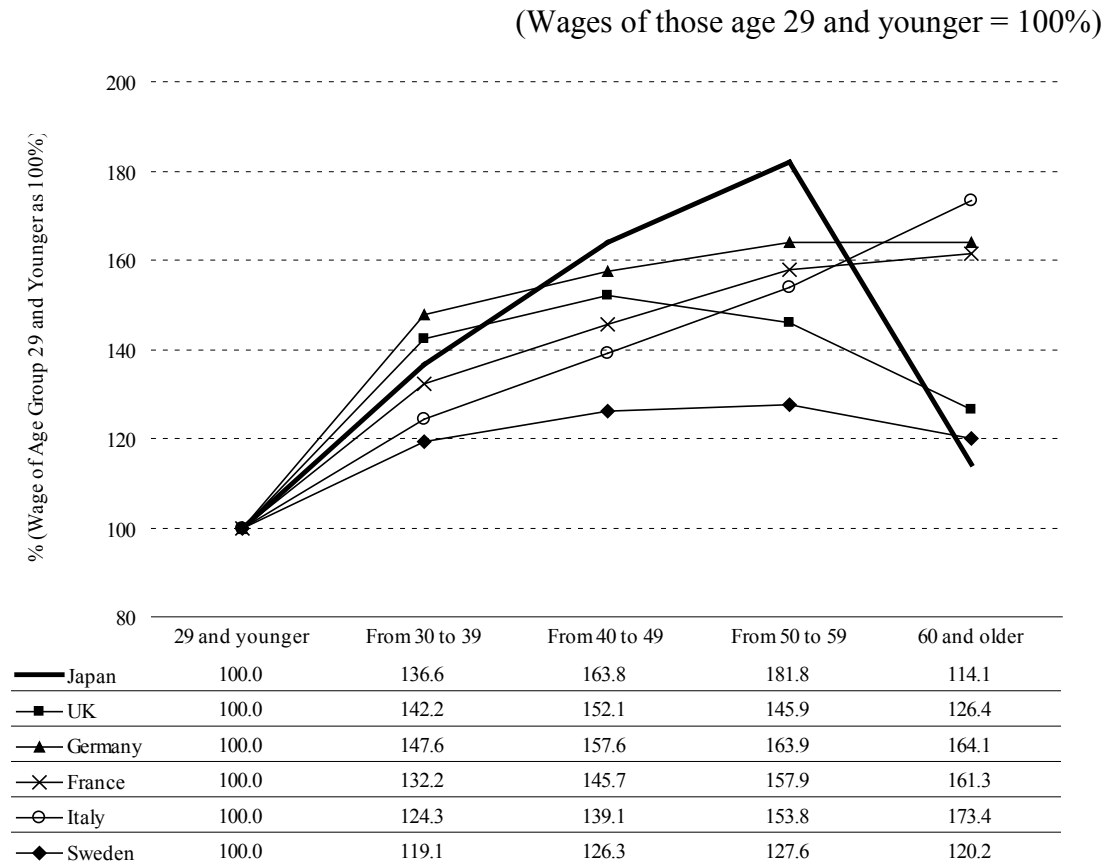
**Table 5.** *Distributions of employer survey responses - Factors determining the basic wage/salary for non-managerial-level employees in Japan, by industrial sector and organizational size, as of 2008. M.A. (%)*

	(%)				
	Factors determining the basic wage/salary for non-managerial-level employees				
	Age/ Tenure	Competence	Job Role	Merit	Education
Total	71.8	67.5	63.7	44.4	20.5
Industrial Sector					
Steal & Mining	80.5	69.8	69.0	51.3	27.2
Construction	66.8	73.1	74.2	35.4	18.6
Manufacturing	72.6	72.4	69.5	47.0	26.6
Utilities	56.9	80.1	77.4	58.6	33.1
Telecommunication	64.5	76.2	67.0	58.2	29.4
Transportation	71.4	45.3	54.8	36.2	7.7
Wholesale & Retail	72.4	70.5	64.8	52.1	21.6
Finance & Insurance	72.1	78.2	57.3	58.5	14.0
Real Estate	70.6	73.6	68.3	53.3	20.5
Restaurant & Hotel	74.6	62.3	49.8	33.1	17.0
Healthcare & Welfare	88.4	61.8	55.9	19.8	15.5
Education & Research	75.0	65.6	62.9	44.3	24.1
Other	74.7	60.1	50.9	36.9	13.7
Organizational Size					
1,000 and over	72.9	80.0	56.7	65.3	21.0
300-999	69.8	75.8	64.6	60.8	28.6
100-299	68.6	70.8	65.6	51.8	26.0
30-99	66.2	65.5	63.2	40.3	18.2

Source: This table is based on data drawn from *The 2008 General Survey on Working Conditions* (Japanese Ministry of Health, Labor and Welfare 2009).

Note: This survey was conducted among a nationally representative sample of 1,024 employers in Japanese private sector workplaces with 30 employees and over. The response rate of this survey was 76.5 percent (Japanese Ministry of Health, Labor and Welfare 2009).

**Figure 5.** Cross-national comparison of age-wage profiles, wage gap by age group, male employees in manufacturing sector industry, as of 2002 (%)



Source: This figure is based on data from *The 2002 Structure of Earnings Statistics* (European Union 2005) and *The 2002 Basic Survey on Wage Structure* (Japanese Ministry of Health, Labor and Welfare 2003).

Note: This figure includes data on private-sector employment only, not including those in public-sector employment.

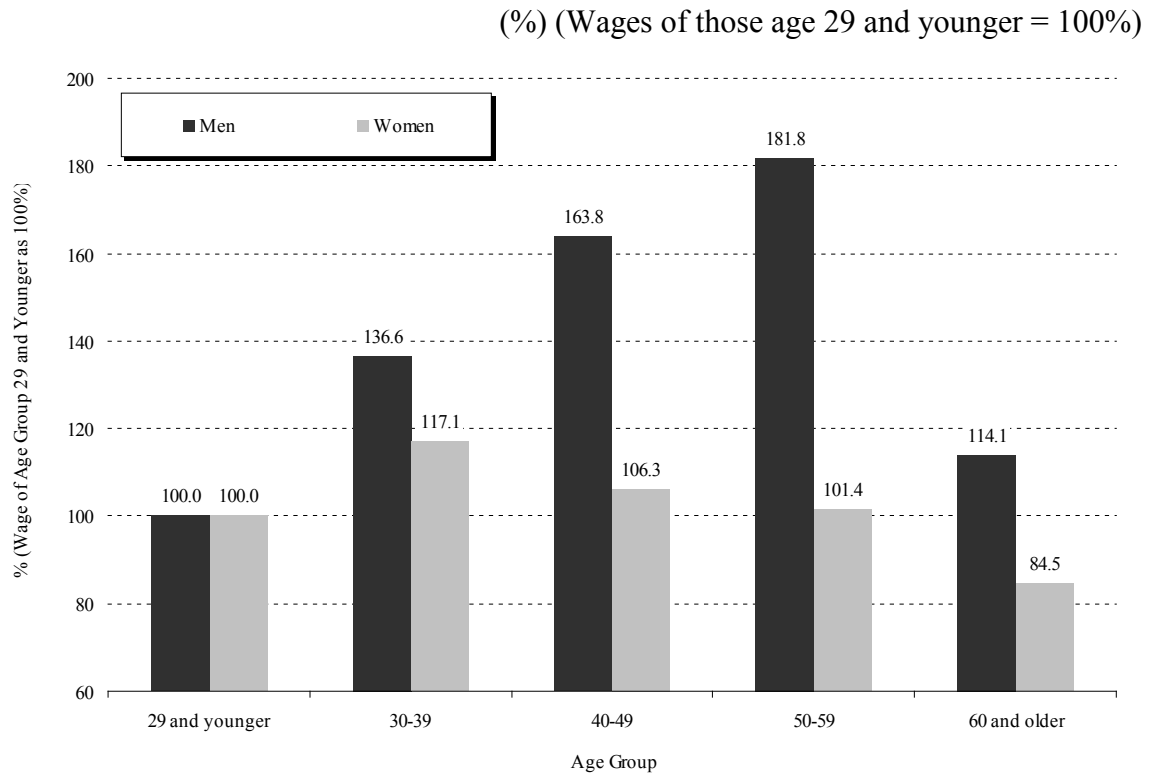
**Figure 6.** Crossnational comparison of wage gap by length of services (in years), male employees in manufacturing sector industry, as of 2002 (%)



Source: This figure is based on data from *The 2002 Structure of Earnings Statistics* (European Union 2005) and *The 2002 Basic Survey on Wage Structure* (Japanese Ministry of Health, Labor and Welfare 2003).

Note: This figure includes data on private-sector employment only, not including those in public-sector employment.

**Figure 7.** *Men vs. women, wage gap by age group, male and female employees in manufacturing sector industry in Japan, as of 2002.*

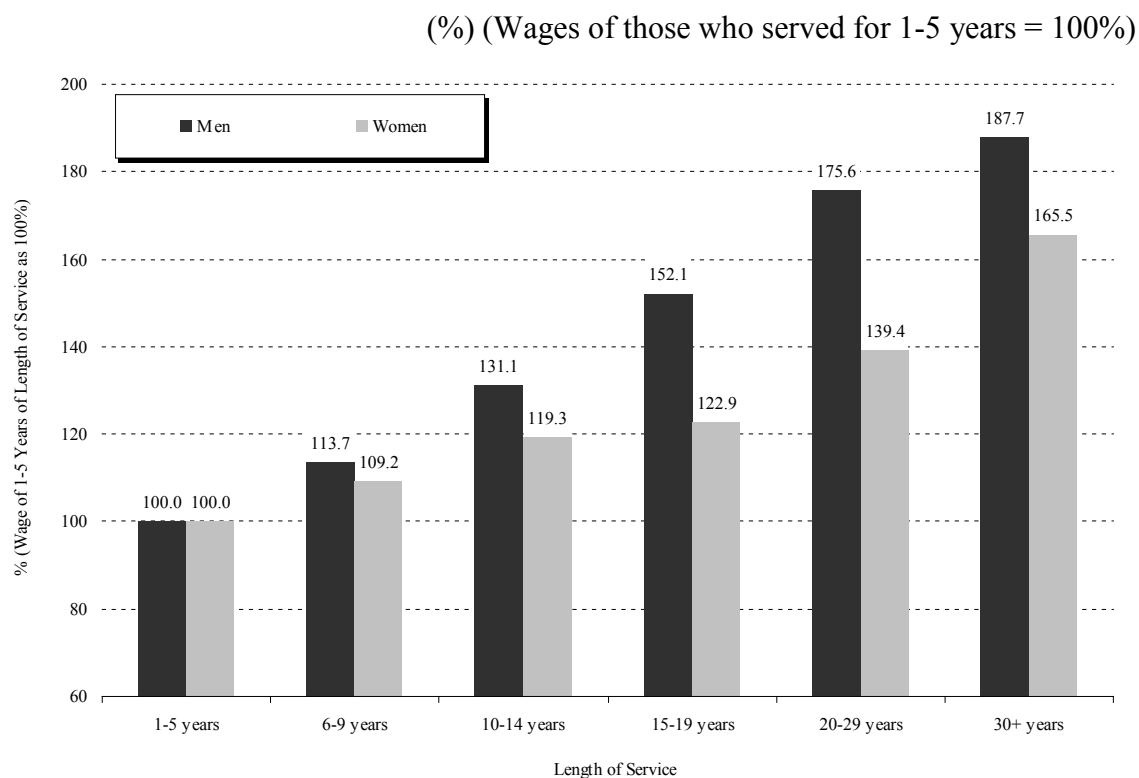


Source: This figure is based on data from *The 2003 Basic Survey on Wage Structure* (Japanese Ministry of Health, Labor and Welfare 2003).

Note: This figure includes data on private-sector employment only; data on those in public-sector employment are not available.



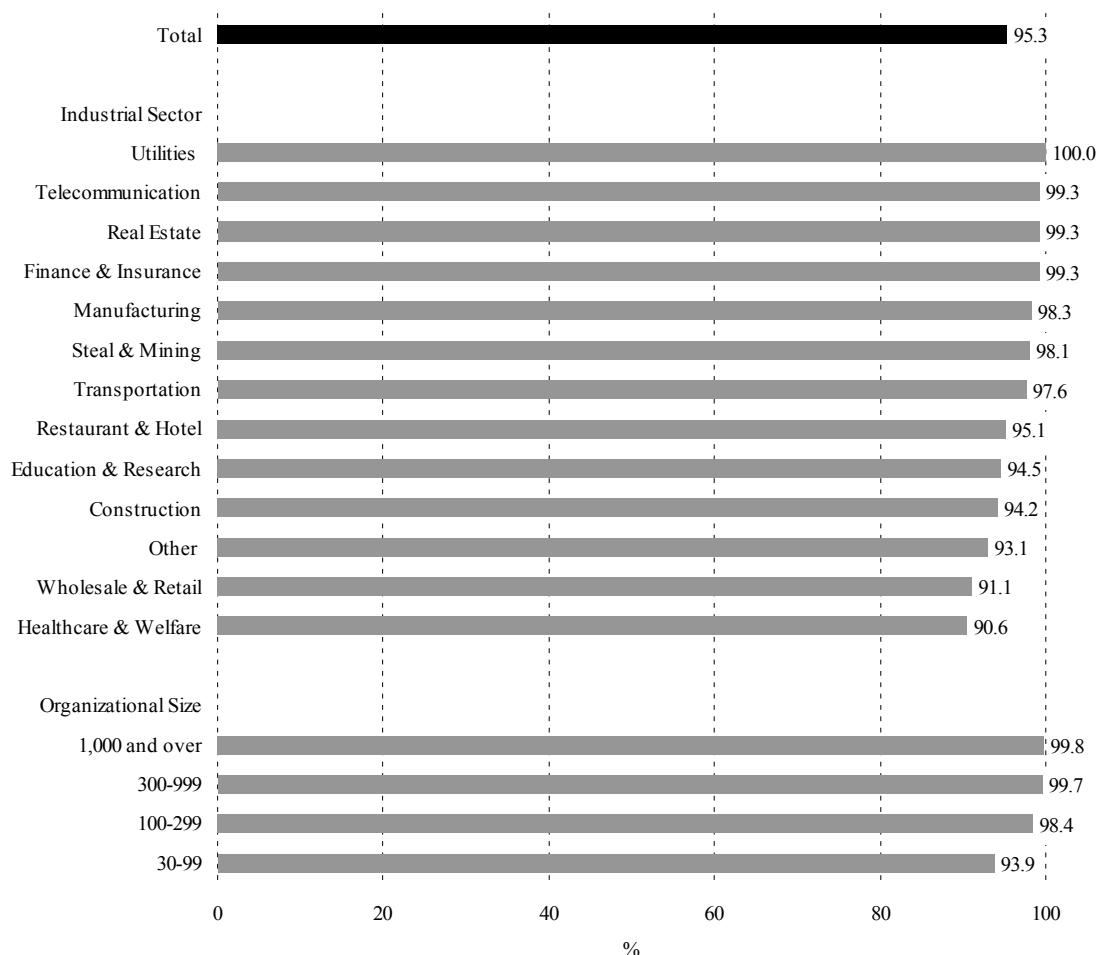
**Figure 8.** *Men vs. women, wage gap by length of service, male and female employees in manufacturing sector industry in Japan, as of 2002.*



Source: This figure is based on data from *The 2003 Basic Survey on Wage Structure* (Japanese Ministry of Health, Labor and Welfare 2003).

Note: This figure includes data on private-sector employment only; data on those in public-sector employment are not available.

**Figure 9.** *Percent employers in Japan who implement mandatory retirement corporate policies at the workplace, by industrial sector and organizational size, as of 2009.*



Source: This figure is based on data drawn from *The 2009 General Survey on Working Conditions* (Japanese Ministry of Health, Labor and Welfare 2009).

Note: This survey was conducted among a nationally representative sample of 1,024 employers in Japanese private sector workplaces with 30 employees and over. The response rate of this survey was 76.5 percent (Japanese Ministry of Health, Labor and Welfare 2009).

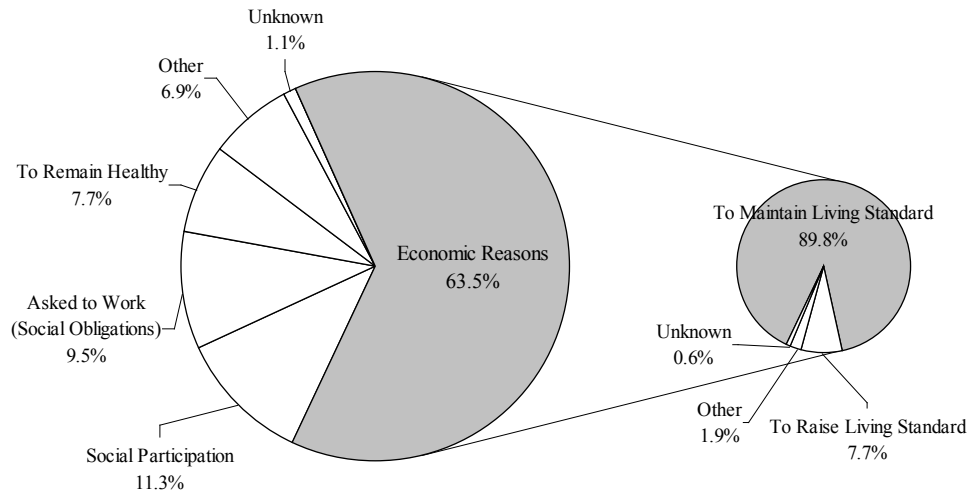
**Table 6.** *Age at which Japanese employers with mandatory retirement policies set to mandate retirement, by industrial sector and organizational size, as of 2009 (%)*

	Age at which employers mandate retirement					
	60	61	62	63	64	65+
Total	86.6	0.2	2.5	1.5	0.0	9.1
Industrial Sector						
Steal & Mining	93.1	-	-	-	-	6.9
Construction	86.6	0.2	2.3	1.5	-	9.4
Manufacturing	90.2	0.0	1.3	1.1	-	7.4
Utilities	94.0	1.2	-	2.3	-	2.5
Telecommunication	89.8	0.3	1.7	0.8	-	7.3
Transportation	74.3	0.6	5.5	6.0	-	13.6
Wholesale & Retail	91.8	0.3	1.2	0.5	-	6.1
Finance & Insurance	96.8	-	0.4	1.1	-	1.6
Real Estate	85.7	-	2.2	-	-	12.1
Restaurant & Hotel	72.6	-	7.0	2.3	-	18.1
Healthcare & Welfare	70.8	1.6	5.3	-	-	22.4
Education & Research	92.3	-	0.2	-	-	7.5
Other	83.8	0.3	4.3	0.8	0.2	10.6
Organizational Size						
1,000 and over	94.3	1.0	1.1	1.1	-	2.5
300-999	93.9	0.5	1.9	1.5	-	2.2
100-299	89.1	0.6	2.1	2.1	0.1	5.9
30-99	84.7	0.0	2.8	1.4	-	11.1

Source: This table is based on data drawn from The 2009 General Survey on Working Conditions (Japanese Ministry of Health, Labor and Welfare 2009).

Note: This table includes data on private-sector employment only; data on those in public-sector employment are not available.

**Figure 10.** *The most important reason why still in labor force, distributions of Japanese worker survey responses, age 60 to 64, as of 2008.*

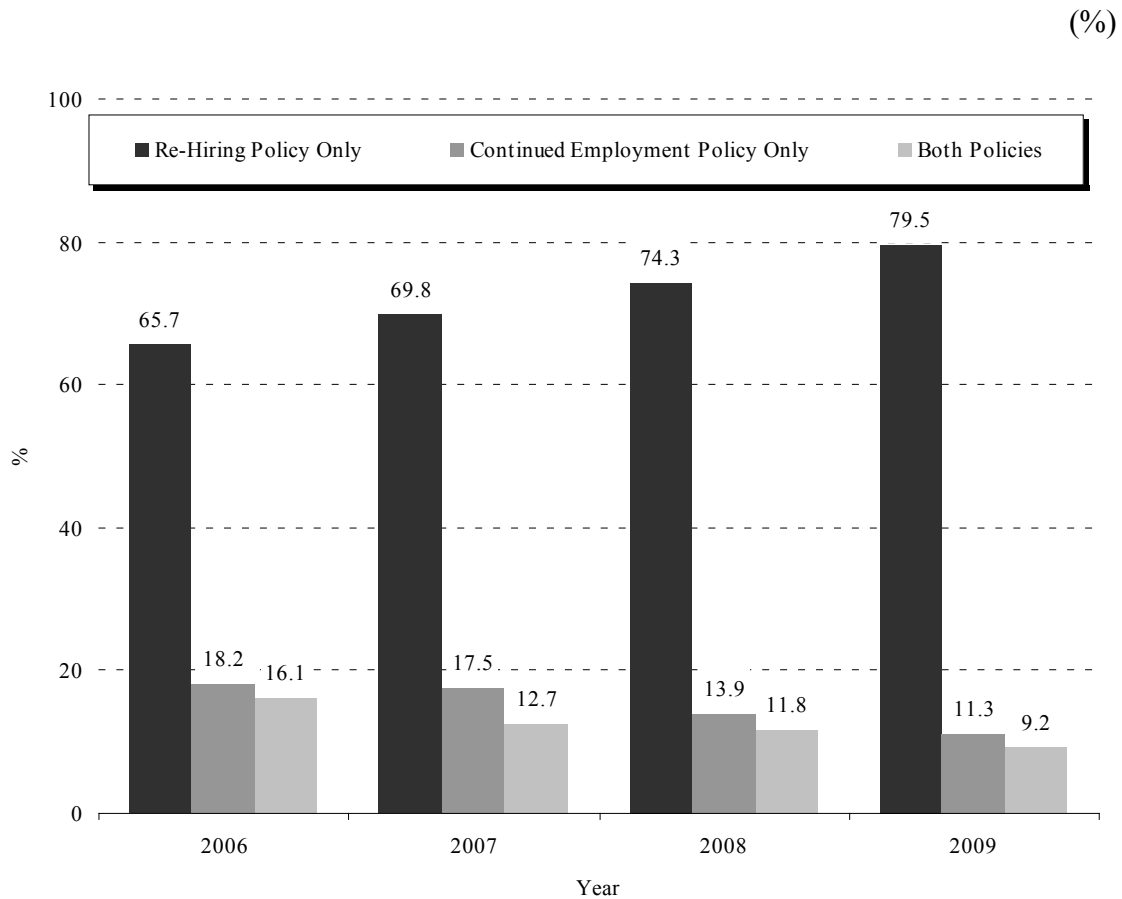


Source: This figure is based on data drawn from *The 2008 Survey on Aging Society* (Japanese Ministry of Health, Labor and Welfare 2008).

Note: This figure includes data on all types of workers in the labor market including private and public-sector employees, self-employed, and those who work for family businesses.

Note: This survey was conducted among a nationally representative sample of 3,031 individuals living in Japan who aged 60 to 64 and were economically active at the time of the survey. The response rate of this survey was 49.2 percent (Japanese Ministry of Health, Labor and Welfare 2008).

**Figure 11.** *Percent Japanese employers who implement rehiring policies, continued employment policies, or both policies for employees who reach mandatory retirement ages, between the years of 2006 and 2009*



Source: This figure is based on data drawn from *The 2009 General Survey on Working Conditions* (Japanese Ministry of Health, Labor and Welfare 2010).

Note: This survey was conducted among a nationally representative sample of 962 employers in Japanese private sector workplaces with 30 employees and over. The response rate of this survey was 82.1 percent (Japanese Ministry of Health, Labor and Welfare 2009).

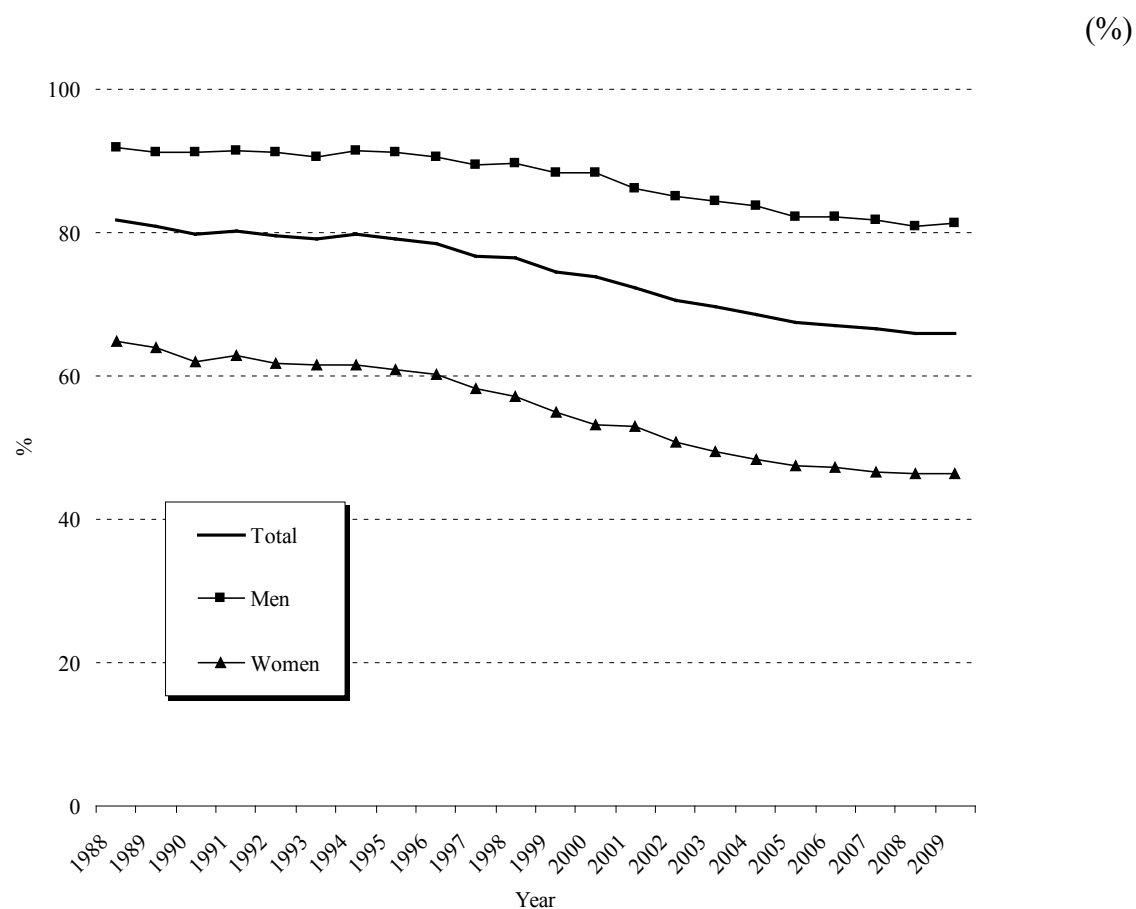
**Table 7.** *Changes to terms of employment for rehired (by the same employers) mandatorily retired employees, as of 2009.*

		(%)
Terms of employment	Changes to terms of employment for rehired mandatorily retired employees	
Work Schedule (Hours)	Reduced compared to before retirement	47.2
	Same as before retirement	43.6
	Adjusted on individual bases	9.2
Basic Hourly Wage	Reduced compared to before retirement	81.9
	Same as before retirement	1.4
	Adjusted on individual bases	16.7
Wage Increase Systems	No increase	75.9
	Increase but at lower rate than regular employees	4.4
	Increase as regular employees	0.7
	Adjusted on individual bases	19.0
Annual Bonus and Other Benefits	Provide but at smaller amount than regular employees	46.7
	Not provide	28.1
	Adjusted on individual bases	24.3
	Provide as regular employees	0.9
Employer Pension Plan	No plan provided after retirement	83.7
	Plan available	10.6
	Adjusted on individual bases	5.7

Source: This table is based on data drawn from *The 2009 General Survey on Working Conditions* (Japanese Ministry of Health, Labor and Welfare 2010).

Note: This survey was conducted among a nationally representative sample of 962 employers in private sector workplaces with 30 employees and over. The response rate of this survey was 82.1 percent (Japanese Ministry of Health, Labor and Welfare 2009).

**Figure 12.** *Trend of share of ‘regular employees’ and ‘non-regular employees’ as percentages of the economically active population as employees, by gender, 1988-2009 (%)*.



Source: This figure is based on data from *Labor Force Statistics, Historical Data 1970-2009* (Japanese Ministry of Internal Affairs and Communications 2009).

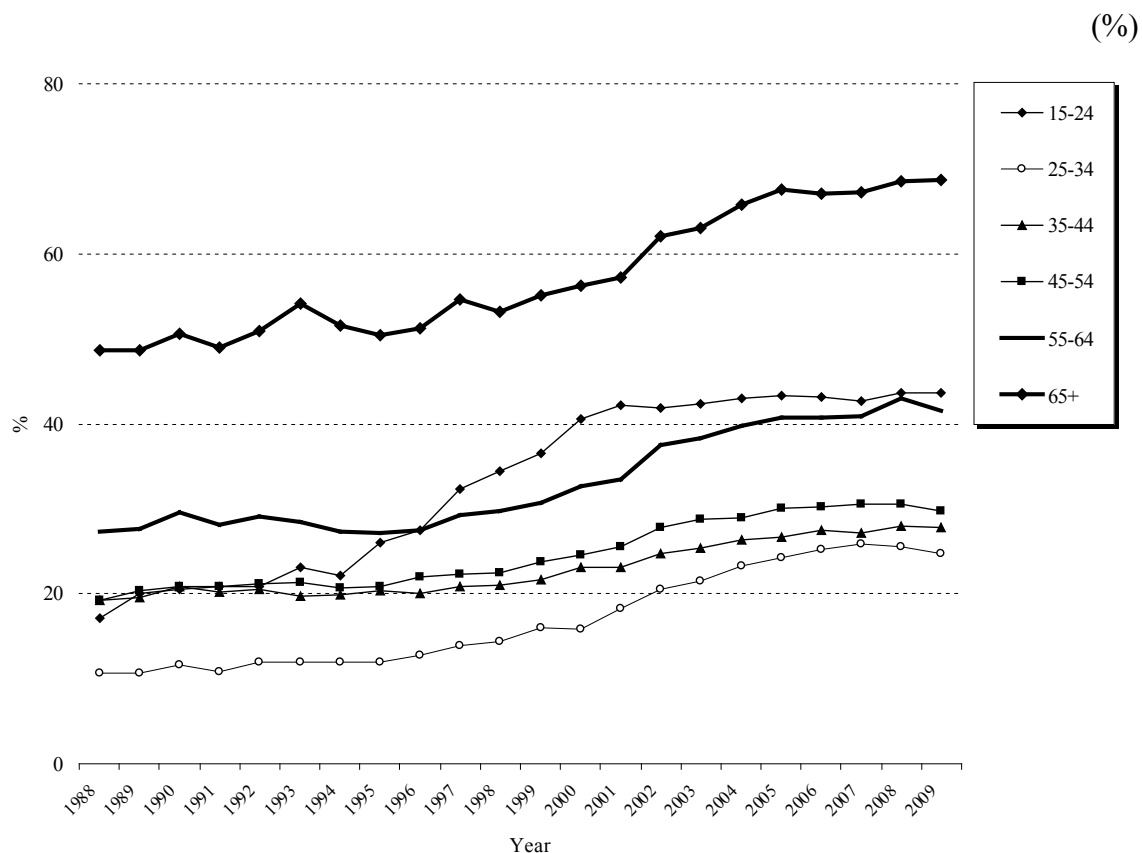
**Table 8.** *Trend of share of ‘regular employees’ and ‘non-regular employees’ as percentages of the economically active population as employees, by gender, 1988-2009 (%)*.

Year	(%)					
	Total (Men and Women)		Men		Women	
	<i>Regular</i>	<i>Non-regular</i>	<i>Regular</i>	<i>Non-regular</i>	<i>Regular</i>	<i>Non-regular</i>
1988	81.7	18.3	91.9	8.1	64.9	35.1
1989	80.9	19.1	91.3	8.7	64.0	36.0
1990	79.8	20.2	91.2	8.8	61.9	38.1
1991	80.2	19.8	91.5	8.5	62.8	37.2
1992	79.5	20.5	91.1	8.9	61.7	38.3
1993	79.2	20.8	90.6	9.4	61.5	38.5
1994	79.7	20.3	91.5	8.5	61.6	38.4
1995	79.1	20.9	91.1	8.9	60.9	39.1
1996	78.5	21.5	90.6	9.4	60.2	39.8
1997	76.8	23.2	89.5	10.5	58.3	41.7
1998	76.4	23.6	89.7	10.3	57.1	42.9
1999	74.4	25.6	88.3	11.7	54.9	45.1
2000	73.8	26.2	88.3	11.7	53.1	46.9
2001	72.3	27.7	86.1	13.9	52.9	47.1
2002	70.6	29.4	85.0	15.0	50.7	49.3
2003	69.6	30.4	84.4	15.6	49.4	50.6
2004	68.6	31.4	83.7	16.3	48.3	51.7
2005	67.4	32.6	82.3	17.7	47.5	52.5
2006	67.0	33.0	82.1	17.9	47.2	52.8
2007	66.5	33.5	81.7	18.3	46.5	53.5
2008	65.9	34.1	80.8	19.2	46.4	53.6
2009	65.9	34.1	81.4	18.6	46.4	53.6

Source: This figure is based on data from *Labor Force Statistics, Historical Data 1970-2009* (Japanese Ministry of Internal Affairs and Communications 2009).



**Figure 13.** Trend of share of 'non-regular employees' as percentages of those who are in the labor force as employees, by age group, 1988-2009 (%).



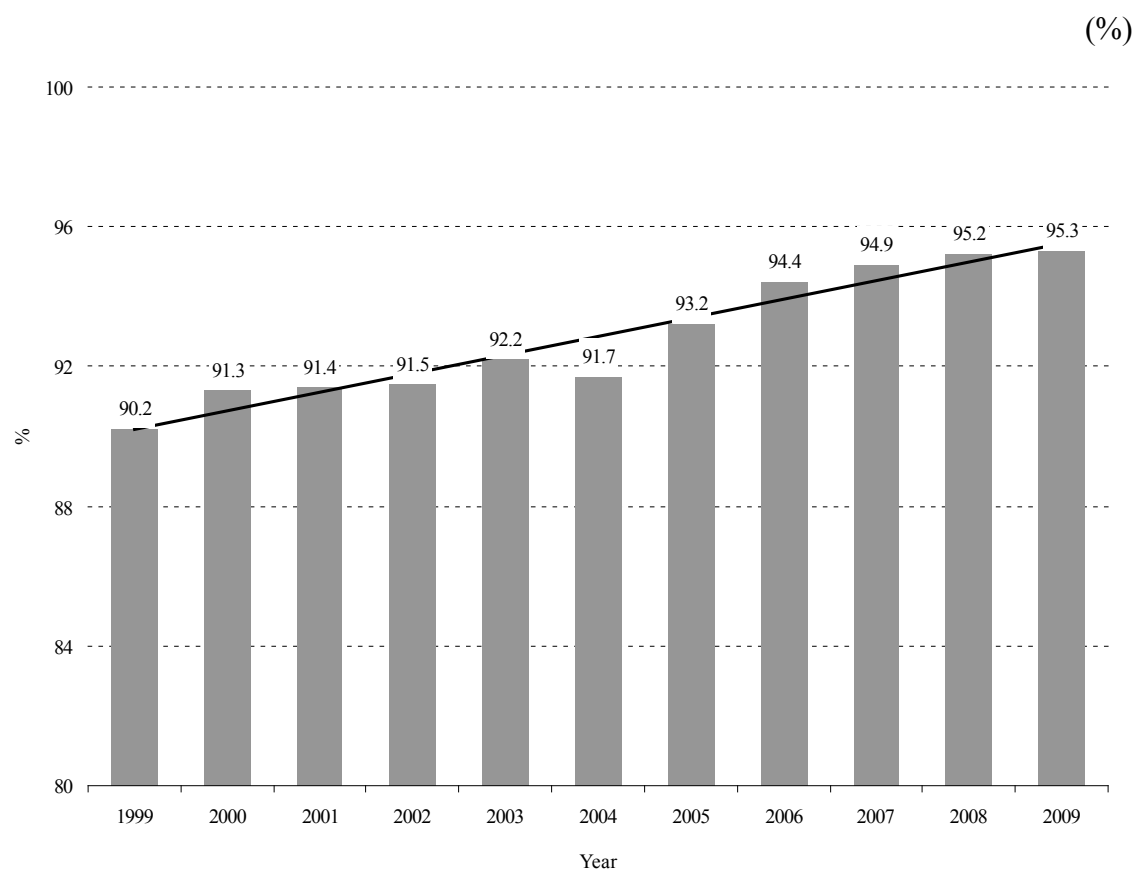
Source: This figure is based on data from *Labor Force Statistics, Historical Data 1970-2009* (Japanese Ministry of Internal Affairs and Communications 2009).

**Table 9.** *Trend of share of ‘non-regular employees’ as percentages of those who are in the labor force as employees, by age group, 1988-2009 (%).*

Year	Age Group					
	15-24	25-34	35-44	45-54	55-64	65+
1988	17.2	10.7	19.3	19.3	27.3	48.6
1989	20.1	10.7	19.6	20.4	27.7	48.6
1990	20.5	11.7	20.9	20.8	29.6	50.6
1991	20.8	10.9	20.2	20.8	28.1	49.0
1992	20.9	12.0	20.6	21.1	29.1	50.9
1993	23.1	12.0	19.7	21.4	28.4	54.2
1994	22.2	11.9	19.9	20.7	27.3	51.6
1995	26.0	11.9	20.4	20.9	27.1	50.4
1996	27.5	12.8	20.0	21.9	27.5	51.2
1997	32.3	13.9	20.9	22.3	29.2	54.7
1998	34.5	14.4	21.0	22.4	29.8	53.2
1999	36.6	16.0	21.7	23.8	30.7	55.1
2000	40.5	15.8	23.1	24.6	32.6	56.3
2001	42.2	18.2	23.1	25.5	33.4	57.2
2002	41.9	20.5	24.7	27.8	37.5	62.1
2003	42.4	21.5	25.4	28.8	38.3	63.1
2004	43.0	23.3	26.4	29.0	39.8	65.8
2005	43.3	24.3	26.6	30.0	40.8	67.5
2006	43.2	25.2	27.4	30.3	40.8	67.0
2007	42.6	25.8	27.2	30.6	40.9	67.3
2008	43.7	25.6	27.9	30.5	43.0	68.6
2009	43.6	24.7	27.8	29.7	41.6	68.7

Source: This figure is based on data from *Labor Force Statistics, Historical Data 1970-2009* (Japanese Ministry of Internal Affairs and Communications 2009).

**Figure 14.** *Trend of percent employers who implement mandatory retirement corporate policies in the workplace, 1999-2009.*



Source: This figure is based on data from *The 2009 General Survey on Working Conditions* (Japanese Ministry of Health, Labor and Welfare 2009).

Note: This figure includes data only on private-sector employers, not including public-sector employers.

**Figure 15.** *Relaxing the steepness of the age-wage profile – trend of wage gap by age group, male ‘regular employees’ with college education (4-year and post-graduate), 1994-2008.*



Source: This figure is based on data from *The 2009 Basic Statistical Survey on Wage Structure* (Japanese Ministry of Health, Labor and Welfare 2009).

Note: This figure includes data both on private and public-sector employees.

**Table 10:** *Selected Profile Information for the Sample of Lifetime Employment Workers (n=52)*

Interview Participant (Pseudonym)	Demographic				Job-Related			Human Capital	
	Age	Gender	Years of employment	Employment status	Size of employer	Industrial sector	Employment sector	Occupation	Education
Ishida	55	Male	32	Regular	5,000+	Restaurant/Hotel	Private	Clerical	4-yr college
Kawai	55	Male	26	Regular	5,000+	Construction	Private	Managerial	Post-Grad
Kimura	55	Male	31	Regular	5,000+	Real Estate	Private	Managerial	4-yr college
Kawada	55	Male	32	Regular	1,000-4,999	Telecommunication	Public	Managerial	4-yr college
Takada	55	Male	32	Regular	1,000-4,999	Wholesale/Retail	Private	Clerical	4-yr college
Hasegawa	56	Male	30	Regular	300-999	Education/Research	Private	Clerical	4-yr college
Aoyama	56	Male	37	Regular	5,000+	Construction	Private	Clerical	High school
Yamada	56	Male	27	Regular	5,000+	Healthcare/Welfare	Public	Clerical	4-yr college
Terayama	56	Male	33	Regular	5,000+	Finance/Insurance	Public	Managerial	4-yr college
Yamazaki	56	Male	36	Regular	5,000+	Steel/Mining	Private	Managerial	High school
Kikuchi	56	Male	33	Regular	5,000+	Telecommunication	Private	Professional	4-yr college
Takayama	56	Male	32	Regular	5,000+	Transportation	Private	Managerial	4-yr college
Sasazawa	57	Male	38	Regular	5,000+	Finance/Insurance	Private	Clerical	4-yr college
Arai	57	Male	36	Regular	5,000+	Healthcare/Welfare	Public	Clerical	2-yr college
Ohashi	57	Male	34	Regular	1,000-4,999	Healthcare/Welfare	Private	Manual	2-yr college
Kobashi	57	Male	35	Regular	5,000+	Utilities	Private	Managerial	High school
MMisawa	57	Male	36	Regular	5,000+	Manufacturing	Private	Manual	High school
Suzuki	57	Male	26	Regular	300-999	Education/Research	Public	Professional	Post-Grad
Shirai	57	Male	34	Regular	5,000+	Wholesale/Retail	Private	Clerical	4-yr college
Maeda	58	Male	33	Regular	1,000-4,999	Services	Public	Clerical	4-yr college
Kishida	58	Male	35	Regular	1,000-4,999	Manufacturing	Private	Managerial	4-yr college
Maeyama	58	Male	37	Regular	5,000+	Transportation	Public	Managerial	2-yr college
Hirota	58	Male	38	Regular	1,000-4,999	Real Estate	Private	Clerical	2-yr college
Uchimura	58	Male	36	Regular	1,000-4,999	Manufacturing	Private	Manual	4-yr college
Kuroda	58	Male	38	Regular	5,000+	Construction	Private	Manual	High school
Mishima	58	Male	37	Regular	300-999	Restaurant/Hotel	Private	Managerial	2-yr college
Terada	59	Male	36	Regular	5,000+	Finance/Insurance	Public	Managerial	4-yr college
Saito	59	Male	38	Regular	1,000-4,999	Service	Private	Managerial	2-yr college
Harada	59	Male	40	Regular	5,000+	Steel/Mining	Private	Manual	High school
Kato	60	Male	37	Non-regular	100-299	Real Estate	Private	Clerical	4-yr college
Hidaka	61	Male	39	Non-regular	5,000+	Telecommunication	Public	Clerical	4-yr college
Sugimoto	61	Male	38	Non-regular	300-999	Wholesale/Retail	Private	Clerical	4-yr college
Shimozawa	62	Male	40	Non-regular	100-299	Education/Research	Private	Manual	High school
Yokota	62	Male	43	Non-regular	1,000-4,999	Construction	Private	Manual	High school
Kurihara	62	Male	42	Non-regular	300-999	Healthcare/Welfare	Private	Manual	High school
Uchida	63	Male	40	Non-regular	1,000-4,999	Finance/Insurance	Public	Managerial	4-yr college
Araki	63	Male	39	Non-regular	300-999	Steel/Mining	Private	Clerical	2-yr college
Fukuda	63	Male	41	Non-regular	5,000+	Telecommunication	Private	Clerical	2-yr college
Ogawa	64	Male	42	Non-regular	300-999	Transportation	Public	Clerical	High school
Miyagawa	64	Male	40	Non-regular	1,000-4,999	Service	Private	Manual	4-yr college
Tayama	64	Male	43	Non-regular	100-299	Utilities	Public	Manual	2-yr college
Kanemoto	64	Male	43	Non-regular	100-299	Wholesale/Retail	Public	Clerical	4-yr college
Toriyama	65	Male	42	Non-regular	300-999	Utilities	Private	Manual	4-yr college
Endo	65	Male	42	Non-regular	1,000-4,999	Manufacturing	Private	Clerical	4-yr college
Kitajima	65	Male	43	Non-regular	300-999	Education/Research	Public	Manual	2-yr college
Sano	66	Male	42	Non-regular	100-299	Wholesale/Retail	Private	Clerical	4-yr college
Ichibashi	66	Male	45	Non-regular	300-999	Services	Public	Manual	High school
Murai	66	Male	45	Non-regular	300-999	Manufacturing	Private	Manual	2-yr college
Kobayashi	67	Male	47	Non-regular	1,000-4,999	Transportation	Private	Clerical	High school
Takashima	67	Male	43	Non-regular	1,000-4,999	Real Estate	Private	Manual	2-yr college
Hayashi	67	Male	42	Non-regular	300-999	Restaurant/Hotel	Private	Manual	4-yr college
Abe	68	Male	51	Non-regular	100-299	Services	Private	Manual	High school

**Table 11.** *Summary Characteristics of the Sample: Lifetime Employment Workers (n=52)*

Variable			Mean/Percentage
Demographic	Average age		60.1
	Average years of employment		37.7
	Male		100.0%
Job Characteristics	Employment status	Regular employee	55.8%
		Non-regular employee	44.2%
	Size of employer	5,000 and over	38.5%
		1,000-4,999	26.9%
		300-999	23.1%
		100-299	11.5%
	Industrial sector	Construction	7.7%
		Education/Research	7.7%
		Finance/Insurance	7.7%
		Healthcare/Welfare	9.6%
		Manufacturing	9.6%
		Real Estate	7.7%
		Restaurant/Hotel	5.8%
		Services	7.7%
		Steel/Mining	5.8%
		Telecommunication	7.7%
		Transportation	7.7%
		Utilities	7.7%
		Wholesale/Retail	7.7%
	Employment sector	Private	71.1%
		Public or semi-public	28.9%
	Occupational type	Professional	3.8%
		Managerial	25.0%
		Clerical	38.5%
		Manual	32.7%
Human Capital	Education	Post-graduate	3.8%
		4-yr. college	48.1%
		2-yr. college/vocational school	23.1%
		High school	25.0%
	Qualification	Qualified (licensed)	32.7%
		Skilled (experienced)	15.4%
		Skilled or qualified	48.1%
		Neither skilled nor qualified	51.9%

Note: Percentages may not add to 100 due to rounding.

**Table 12:** *Selected Profile Characteristics of the Pre-Mandatory Retirement Workers (n=29)*

Interview Participant (Pseudonym)	Demographic			Job-Related			Human Capital		
	Age	Gender	Years of employment	Employment status	Size of employer	Industrial sector	Employment sector	Occupation	Education
Ishida	55	Male	32	Regular	5,000+	Restaurant/Hotel	Private	Clerical	4-yr college
Kawai	55	Male	26	Regular	5,000+	Construction	Private	Managerial	Post-Grad
Kimura	55	Male	31	Regular	5,000+	Real Estate	Private	Managerial	4-yr college
Kawada	55	Male	32	Regular	1,000-4,999	Telecommunication	Public	Managerial	4-yr college
Takada	55	Male	32	Regular	1,000-4,999	Wholesale/Retail	Private	Clerical	4-yr college
Hasegawa	56	Male	30	Regular	300-999	Education/Research	Private	Clerical	4-yr college
Aoyama	56	Male	37	Regular	5,000+	Construction	Private	Clerical	High school
Yamada	56	Male	27	Regular	5,000+	Healthcare/Welfare	Public	Clerical	4-yr college
Terayama	56	Male	33	Regular	5,000+	Finance/Insurance	Public	Managerial	4-yr college
Yamazaki	56	Male	36	Regular	5,000+	Steel/Mining	Private	Managerial	High school
Kikuchi	56	Male	33	Regular	5,000+	Telecommunication	Private	Professional	4-yr college
Takayama	56	Male	32	Regular	5,000+	Transportation	Private	Managerial	4-yr college
Sasazawa	57	Male	38	Regular	5,000+	Finance/Insurance	Private	Clerical	4-yr college
Arai	57	Male	36	Regular	5,000+	Healthcare/Welfare	Public	Clerical	2-yr college
Ohashi	57	Male	34	Regular	1,000-4,999	Healthcare/Welfare	Private	Manual	2-yr college
Kobashi	57	Male	35	Regular	5,000+	Utilities	Private	Managerial	High school
MMisawa	57	Male	36	Regular	5,000+	Manufacturing	Private	Manual	High school
Suzuki	57	Male	26	Regular	300-999	Education/Research	Public	Professional	Post-Grad
Shirai	57	Male	34	Regular	5,000+	Wholesale/Retail	Private	Clerical	4-yr college
Maeda	58	Male	33	Regular	1,000-4,999	Services	Public	Clerical	4-yr college
Kishida	58	Male	35	Regular	1,000-4,999	Manufacturing	Private	Managerial	4-yr college
Maeyama	58	Male	37	Regular	5,000+	Transportation	Public	Managerial	2-yr college
Hirota	58	Male	38	Regular	1,000-4,999	Real Estate	Private	Clerical	2-yr college
Uchimura	58	Male	36	Regular	1,000-4,999	Manufacturing	Private	Manual	4-yr college
Kuroda	58	Male	38	Regular	5,000+	Construction	Private	Manual	High school
Mishima	58	Male	37	Regular	300-999	Restaurant/Hotel	Private	Managerial	2-yr college
Terada	59	Male	36	Regular	5,000+	Finance/Insurance	Public	Managerial	4-yr college
Saito	59	Male	38	Regular	1,000-4,999	Service	Private	Managerial	2-yr college
Harada	59	Male	40	Regular	5,000+	Steel/Mining	Private	Manual	High school

**Table 13:** *Summary Characteristics of the Sample: Pre-Mandatory Retirement Workers (n=29)*

Variable		Mean/Percentage	
Demographic	Average age	56.9	
	Average years of employment	34.2	
	Male	100.0%	
Job Characteristics	Employment status	Regular employee	100.0%
		Non-regular employee	0%
	Size of employer	5,000 and over	62.1%
		1,000-4,999	27.6%
		300-999	10.3%
		100-299	0.0%
	Industrial sector	Construction	10.4%
		Education/Research	6.9%
		Finance/Insurance	6.9%
		Healthcare/Welfare	10.4%
		Manufacturing	10.4%
		Real Estate	6.9%
		Restaurant/Hotel	6.9%
		Services	6.9%
		Steel/Mining	6.9%
		Telecommunication	6.9%
		Transportation	6.9%
		Utilities	6.9%
		Wholesale/Retail	6.9%
	Employment sector	Private	80.8%
		Public or semi-public	19.2%
	Occupational type	Professional	6.9%
		Managerial	41.4%
		Clerical	34.5%
		Manual	17.2%
Human Capital	Education	Post-graduate	6.9%
		4-yr. college	51.7%
		2-yr. college/vocational school	20.7%
		High school	20.7%
	Qualification	Qualified (licensed)	31.0%
		Skilled (experienced)	20.7%
		Skilled or qualified	51.7%
		Neither skilled nor qualified	48.3%

Note: Percentages may not add to 100 due to rounding.



**Table 14:** *Selected Profile Characteristics of the Post-Mandatory Retirement Workers (n=23)*

Interview Participant (Pseudonym)	Demographic			Job-Related			Human Capital		
	Age	Gender	Years of employment	Employment status	Size of employer	Industrial sector	Employment sector	Occupation	Education
Kato	60	Male	37	Non-regular	100-299	Real Estate	Private	Clerical	4-yr college
Hidaka	61	Male	39	Non-regular	5,000+	Telecommunication	Public	Clerical	4-yr college
Sugimoto	61	Male	38	Non-regular	300-999	Wholesale/Retail	Private	Clerical	4-yr college
Shimozawa	62	Male	40	Non-regular	100-299	Education/Research	Private	Manual	High school
Yokota	62	Male	43	Non-regular	1,000-4,999	Construction	Private	Manual	High school
Kurihara	62	Male	42	Non-regular	300-999	Healthcare/Welfare	Private	Manual	High school
Uchida	63	Male	40	Non-regular	1,000-4,999	Finance/Insurance	Public	Managerial	4-yr college
Araki	63	Male	39	Non-regular	300-999	Steel/Mining	Private	Clerical	2-yr college
Fukuda	63	Male	41	Non-regular	5,000+	Telecommunication	Private	Clerical	2-yr college
Ogawa	64	Male	42	Non-regular	300-999	Transportation	Public	Clerical	High school
Miyagawa	64	Male	40	Non-regular	1,000-4,999	Service	Private	Manual	4-yr college
Tayama	64	Male	43	Non-regular	100-299	Utilities	Public	Manual	2-yr college
Kanemoto	64	Male	43	Non-regular	100-299	Wholesale/Retail	Public	Clerical	4-yr college
Toriyama	65	Male	42	Non-regular	300-999	Utilities	Private	Manual	4-yr college
Endo	65	Male	42	Non-regular	1,000-4,999	Manufacturing	Private	Clerical	4-yr college
Kitajima	65	Male	43	Non-regular	300-999	Education/Research	Public	Manual	2-yr college
Sano	66	Male	42	Non-regular	100-299	Wholesale/Retail	Private	Clerical	4-yr college
Ichibashi	66	Male	45	Non-regular	300-999	Services	Public	Manual	High school
Murai	66	Male	45	Non-regular	300-999	Manufacturing	Private	Manual	2-yr college
Kobayasshi	67	Male	47	Non-regular	1,000-4,999	Transportation	Private	Clerical	High school
Takashima	67	Male	43	Non-regular	1,000-4,999	Real Estate	Private	Manual	2-yr college
Hayashi	67	Male	42	Non-regular	300-999	Restaurant/Hotel	Private	Manual	4-yr college
Abe	68	Male	51	Non-regular	100-299	Services	Private	Manual	High school

**Table 15:** *Summary of the Sample: Post-Mandatory Retirement Workers (n=23)*

Variable		Summary Value	
Demographic	Average age	64.1	
	Average years of employment	42.0	
	Male	100.0%	
Job Characteristics	Employment status	Regular employee	0.0%
		Non-regular employee	100.0%
	Size of employer ( <i>n</i> of employee)	5,000 and over	8.7%
		1,000-4,999	26.1%
		300-999	39.1%
		100-299	26.1%
	Industrial sector	Construction	4.3%
		Education/Research	8.7%
		Finance/Insurance	8.7%
		Healthcare/Welfare	8.7%
		Manufacturing	8.7%
		Real Estate	8.7%
		Restaurant/Hotel	4.3%
		Services	8.7%
		Steel/Mining	4.3%
		Telecommunication	8.7%
		Transportation	8.7%
		Utilities	8.7%
		Wholesale/Retail	8.7%
	Employment sector	Private	78.3%
		Public or semi-public	21.7%
	Occupational type	Professional	6.9%
		Managerial	4.3%
		Clerical	43.5%
		Manual	52.2%
Human Capital	Education	Post-graduate	43.5%
		4-yr. college	26.1%
		2-yr. college/vocational school	30.4%
		High school	34.8%
	Qualification	Qualified (licensed)	8.7%
		Skilled (experienced)	43.5%
		Skilled or qualified	56.5%
		Neither skilled nor qualified	

Note: Percentage may not add to 100 due to rounding.

**Table 16:** *Selected Profile of the ‘Non-Lifetime Employment’ Workers Aged 55-59 (n=8)*

Demographic			Job-Related			Human Capital		
Age	Gender	Years in the labor force	Employment status	Size of the workplace	Industrial sector	Occupation	Education	Qualification
55	M	32	Self-employed	4	Wholesale/Retail	Clerical	4-yr college	
56	M	28	Family business	12	Farming	Manual	High school	
56	M	27	Self-employed	1	Services	Professional	Post-grad	Qualified
56	M	31	Self-employed	3	Healthcare/Welfare	Professional	Post-grad	Qualified
56	M	36	Family business	3	Construction	Manual	2-yr college	Qualified
56	M	32	Self-employed	8	Manufacturing	Manual	High school	Skilled
58	M	35	Family business	5	Manufacturing	Manual	4-yr college	Skilled
59	M	38	Self-employed	3	Services	Manual	2-yr college	Qualified

**Table 17:** *Selected Profile of the Sample of the ‘Rehired’ Post-Mandatory Retirement Workers (n=12)*

Demographic				Job-Related			Human Capital		
Age	Gender	Years of employment	Employment status	Size of employer	Industrial sector	Employment sector	Occupation	Education	Qualification
60	Men	37	Non-regular	100-299	Real Estate	Private	Clerical	4-yr college	
61	Men	39	Non-regular	5,000+	Telecommunication	Public	Clerical	4-yr college	Qualified
62	Men	43	Non-regular	1,000-4,999	Construction	Private	Manual	High school	
63	Men	40	Non-regular	1,000-4,999	Finance/Insurance	Public	Managerial	4-yr college	Qualified
63	Men	41	Non-regular	5,000+	Telecommunication	Private	Clerical	2-yr college	Qualified
64	Men	42	Non-regular	300-999	Transportation	Public	Clerical	High school	Qualified
64	Men	41	Non-regular	100-299	Healthcare/Welfare	Public	Clerical	4-yr college	Qualified
65	Men	42	Non-regular	300-999	Utilities	Private	Manual	4-yr college	
66	Men	42	Non-regular	100-299	Wholesale/Retail	Private	Clerical	4-yr college	
66	Men	45	Non-regular	300-999	Manufacturing	Private	Manual	2-yr college	Skilled
67	Men	42	Non-regular	300-999	Restaurant/Hotel	Private	Manual	4-yr college	
68	Men	51	Non-regular	100-299	Services	Private	Manual	High school	

**Table 18:** *Selected Profile of the Sample of the ‘Job Market Returnee’ Post-Mandatory Retirement Workers (n=11)*

Demographic				Job-Related			Human Capital		
Age	Gender	Years of employment	Employment status	Size of employer	Industrial sector	Employment sector	Occupation	Education	Qualification
61	Men	38	Non-regular	300-999	Wholesale/Retail	Private	Clerical	4-yr college	Qualified
62	Men	42	Non-regular	300-999	Healthcare/Welfare	Private	Manual	High school	
62	Men	40	Non-regular	100-299	Education/Research	Private	Manual	High school	
63	Men	39	Non-regular	300-999	Steel/Mining	Private	Clerical	2-yr college	Qualified
64	Men	40	Non-regular	1,000-4,999	Finance/Insurance	Private	Manual	4-yr college	Qualified
64	Men	43	Non-regular	100-299	Utilities	Public	Manual	2-yr college	
65	Men	42	Non-regular	1,000-4,999	Manufacturing	Private	Clerical	4-yr college	
65	Men	43	Non-regular	300-999	Education/Research	Public	Manual	2-yr college	
66	Men	45	Non-regular	300-999	Services	Public	Manual	High school	Skilled
67	Men	47	Non-regular	1,000-4,999	Transportation	Private	Clerical	High school	
67	Men	43	Non-regular	1,000-4,999	Real Estate	Private	Manual	2-yr college	

**Table 19:** *Selected Profile of the Retirees Aged 60 and Over (n=8)*

Demographic			Job-Related				Human Capital		
Age	Total years of employment	Gender	Current employment status	Pre-retirement size of the workplace	Pre-retirement industrial sector	Pre-retirement employment sector	Pre-retirement occupation	Education	Qualification
61	M	39	Retired	5000+	Utilities	Private	Manual	2-yr college	Skilled
63	M	39	Retired	5000+	Manufacturing	Public	Managerial	2-yr college	
63	M	37	Retired	1,000-4,999	Services	Private	Professional	Post-grad	Qualified
64	M	36	Retired	1,000-4,999	Services	Private	Clerical	4-yr college	
65	M	38	Retired	1,000-4,999	Education/Research	Public	Clerical	4-yr college	Qualified
65	M	37	Retired	5000+	Education/Research	Private	Clerical	4-yr college	Qualified
68	M	39	Retired	5000+	Transportation	Private	Managerial	4-yr college	
72	M	37	Retired	300-999	Finance/Insurance	Public	Managerial	2-yr college	

**Table 20:** *Summary of Life Stories – Pre-Mandatory Retirement Experiences of Aging (n=52)*

	Phase	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
Working Life Course	Chronological Age	18-26	Early 20s – Early 30s	Early 30s – Early 40s	Late 40s – Late 50s	Mid 50s – Late 50s
	Time Period	Late 1950s – Mid 1970s	Early 1970s – Early 1980s	Mid 1980s – Early 1990s	Mid 1990s – Early 2000s	Early 2000s – Late 2000s
	National Economy	High Growth	‘Oil Crisis’	Bubble Economy	Recession	Slow Recovery
Structural Contexts	Employer HRM	Periodic Hiring	Seniority Wage	Seniority Promotion	L.T. Investment	Mandatory Retirement
	Public Policy	Affirming	Affirming	Affirming	Affirming	Affirming
Structural Forces of Age-Grading		Rites of Passage	Age Norms	Age Norms	Markers of Aging	Age Sanctions
Age Discrimination Experience		Upper Age Limit for Hiring	Intergenerational Wage Inequalities	Pressure to Match Age and Role	Age Barriers to Training	Labeled as “Burdens” and ‘Excess’
Attitude Toward Discrimination		Justifiable	Justifiable	Justifiable	Justifiable	Justifiable
Self-Esteem		Valueless	Valuable	Valuable	Valuable	Valueless
Self-Concept	Subjective Age	Very Young	Younger	Middle Age	Middle-Older	Older
	Age Role Identity	‘Apprentice’	‘Frontline Troops’	‘The Middle Man’	‘Mentor’	‘Retiring’

## **APPENDIX 1:**

### **Interview Protocol for the Lived Experiences of Older Workers Study<sup>42</sup>**

#### **Prologue:**

Please let us briefly explain the background of this interview research project. Both in the UK and Japan, changes to age demographics (i.e., population aging) are compelling the government to look for ways to enable/encourage older workers to stay economically active longer than they currently do. The government, some corporate sectors, and other stakeholders in Japan are interested in exploring factors impacting current older workers' decisions with respect to continued work and retirement in the decade ahead.

In this research project, we aim to specifically examine how national employment institutions of Japan have affected current older workers' working life experiences in the past and present. We then aim to explore how work history/career paths influence their later life transition.

We hope that the interview won't take more than an hour and a half, but please let us know if you need to finish earlier or desire to continue longer.

#### **Interview Structure:**

First, I would like you to tell us some information about you merely as an anonymous interview participant. Second, we would like you to briefly trace your work history (career paths) from the first job you had through the current (last) one. Third, we would like to discuss with you a bit specifically about age discrimination experiences that you might have confronted, directly or indirectly, over the course of your working lives. Fourth, we would like you to tell us your future plan for continued work and/or retirement. Finally, we would like to ask you some general questions about your perceptions of working life and retirement in our aging society.

#### **1. Demographic Information**

Please fill out the Interview Participant Demographic Information Sheet.

#### **2. Overview of Work History (Career Paths)**

*Before Entering the Workforce – Last Formal Education:*

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<sup>42</sup> This interview protocol is an English translation of the protocol developed for the U.K. older workers. For the Japanese older worker interview, a Japanese original protocol was used.




We would like to start off by talking a little bit about your experience in work and education. First, please tell us when you left formal education (prompt- university or high school) (NOTE- If the interviewee had returned to education later in life, ask about when he/she left education to begin first job. Later, as part of work history, ask about latest experience with education).

- PROMPT- Questions about leaving formal education:  
Age left education
- Highest qualification attained at the time (ask about later qualifications during work history discussion)
- Subject trained for- was it respondent's choice of subjects?
- Was the first job in the same field as study? Why/why not?


*Since Entering the Workforce:*

Please tell us briefly your work history (or career paths) including employment experiences in the past and the present. We are also interested in your experience in between jobs, such as periods of unemployment, career breaks for raising children, voluntary work, and returning to education. We would like to discuss your career sequentially from your first experience in work, to your most recent.

First Job (after formal education):

- 
- Please describe this job.
  - How did you find this job
  - Why did you have this job (who/what influenced the choice)?
  - How did you acquire the skills/training/apprenticeship/necessary to the job?
  - How long did you hold the job?
  - Why did you leave the job (who/what influenced the choice)?
  - Specifically what did you like/dislike about that job?

Next Job (& so on):

- 
- ↓ Same as above

Current (last) Job:

Same as above

*Career Break, Unemployment, and "Between Work and School" Experience:*

Questions if talking about career break

- At what age did you leave work?
- Did you have plans for returning to work and if so when?
- Did your employer offer to help you return to work after your career break?
- How did you feel about leaving work?

Questions if talking about unemployment

- Please describe the circumstances with which you left work
- Was the job loss expected? How had you prepared for it?
- Did you receive help from your employer/the Government/family/friends/others to manage with the job loss?

Questions if talking about return to education (note- may be simultaneous with work)

- What did you study? What qualifications did you attain?
- Why did you choose to return to education (prompt- career or personal reasons)
- What if any support (e.g. financial or time off) did you receive from your employer, family or the government?
- How were you able to use your new skills in your work?
- Please describe your experience in mid-career education

QUESTIONS FOR ALL THREE

- How did you feel about leaving the workforce (prompt emotional responses- worried, confident, regretful, relieved)- Obviously phrase sensitively to circumstances
- When you left, how confident were you about being able to return to the workforce?
- Please describe your experience in returning to the workforce.
- Did you return to the kind of job you wanted?
- Did you receive support in returning to work from- employers, the government, your friends and family?

### **3. Experiencing Getting Older at the Workplace and in the Labor Market**

Here (below) is a chart showing eight dimensions of working life which our research team uses to understand your working life experiences. These cover a range of things people look for when seeking a good job. For example, for many people, having a good salary may be the most important part of their jobs, while for others job security might be most crucial.

~ Eight Dimension of Working Life ~

- (1) Wage/Salaries, Fringe Benefits, and Other Compensations
- (2) Job Security & Employment Predictability
- (3) Protection of Physical & Mental Health and Safety
- (4) Flexible Work Options/Workplace Flexibility
- (5) Work Culture of Respect, Inclusion, and Equality
- (6) Constructive Human Relationships & Communication
- (7) Opportunities for Advancement (Training & Education)
- (8) Opportunities for Meaningful Work

Please let us walk you through each of the eight dimensions of working life. Thinking back over your work history, please answer the following questions as in-detail as you can for each of the dimensions (from the first to the eighth):

1). *Your Experiences of Age Discrimination*

Please tell us your experiences with being subject to age discrimination over the course of their working lives at your workplace and/or when you were seeking jobs?

Have you ever felt that you are discriminated for or against in your working life because of your chronological age?

If you have, please tell us how, when, and by whom? How have your experiences of age discrimination (in this specific dimension) changed over time? How do you think any of the followings have contributed to the instances of age discrimination?

- Social norms and cultural expectations
- National/global economies
- Government policies
- Policies and regulations of your organization
- Policies and regulations of your worksite
- Labor unions
- Employers' daily HR management practices
- Relations with senior or co-workers

2) *Your Attitudes toward Age Discrimination Experiences*

Please tell us your attitudes toward the instances of age discrimination in this particular aspect of your working life. When confronting the instances of age discrimination first, did you perceive that them justifiable or unjustifiable?

Prompt – please explain to us why you thought they were justifiable (or unjustifiable)?

How has your attitude toward the instances of age discrimination changed to date? Do you still think that the instances are justifiable (or unjustifiable)?

Prompt - please explain to us why you think they are justifiable (or unjustifiable)?

Have you ever seen anyone you know are discriminated against based mainly on his/her age in his/her work-related settings? How, when, and by whom?

Why do you think “aged persons” are discriminated (if this is the case) against in our society in general?

### 3) *Your Self-Image as Worker*

Please tell us how you view yourself as a worker. Looking back your entire work history, how valuable do you think you are as a worker?

Prompt – please explain to us why they think you are [valuable, not so much valuable, etc.]?

In our society, the meaning of an “older worker” varies from one person to another. To you, who are “older workers” in our society today? How would you define “older workers”? Do you think that now you are an older worker at your workplace or in our society?

Prompt – please explain to us why they think you are an older worker or not an older worker?

Prompt – (based on your self-image) please describe to us what the most appropriate roles you think you are expected to perform or undertake at your workplace or in society at large?

Please tell us how your self-image has changed over the course of your working lives. How do you think any of the followings have contributed to the changes in your self-image as a worker over time?

- Social norms and cultural expectations
- National/global economies
- Government policies
- Policies and regulations of your organization
- Policies and regulations of your worksite
- Labor unions
- Employers’ daily HR management practices
- Relations with senior or co-workers

### 4) *Overall Assessment of Your Working Life Experience*

Including all the eight dimensions of working life (listed above), throughout our work history (career paths), would you say that you are a satisfied worker?

Prompt - If so, what do you think are the important factors for enabling a satisfying working life? Please give us a couple of examples of the factors.

Prompt - If not, what do you think are the major factors for dissatisfaction in your work life? Please give us a couple of examples of the factors.

How have larger social environments (i.e, labor policy reforms, trends of national economy) affected your satisfaction/dissatisfaction with this dimension of your working life? Any particular reforms, events, or incidents you can tell us? Specifically when in your working life course?

#### **4. Work/Retirement Interface:**

We would like to know what your plan for your future working life is like and how you plan to make it happen:

*Ideals, Desires, and Wishes* – Without any real (or possible) constraints, how would you like to spend your working life in the future?

- Would you like to carry on working in the same way you are now up to retirement? Why? How long?
- Would you like to switch to a part-time position/job with less responsibility/seek promotion/try something new/work in a new industry/work closer to home/work from home part or all of the week? Why? What type of job? How long?
- Would you like to completely retire? Why? When?

#### *Constraints in Reality -*

In reality, in your current workplace how much choice / autonomy do you think you have on the ways you (desire) plan to spend the future working life?

How do you think your workplace policy, public policy (i.e., pension availability), and line managers enable/constrain you spend your working life the way you desire?

How do you think your family (i.e., eldercare responsibilities) or personal (i.e., health) dimension of your life enable or constrain you to spend your working life the way you desire?

#### *Life after Complete Retirement-*

When would you like to fully retire (complete retirement)?

Why that (particular) age?

Once you've retired, how do you think you'd spend your time?

Are these future plans connected to your partner/spouse/other family members?

#### *Work Beyond Age 60 –*

- If you were to keep working beyond the conventional retirement age (60-65), what do you think should/could be done to motivate/help you to do so?

### *Work Beyond Age 70 –*

Currently, the government (the Cabinet Office) has attempted to promote our country's workplace to allow older workers to keep working until age 70 (via experimental subsidy programs).

- How do you feel about the Government's program? What do you think is behind its efforts?
- What do you think could encourage or enable workers to delay retirement (generally and workers like you)?

### **5. Meaning of “Work” & “Retirement”:**

Looking back over your entire work history (career paths), what does “working” mean to you?

How has the meaning of working changed overtime in the course of your life?

What have influenced the way you define the meaning of work to you?

Looking back over your entire work history (career paths), what does “retirement” mean to you?

How has the meaning of work changed over time in the course of your life?

What have influenced the way you define the meaning of work to you?

### **Epilogue:**

As long as your time permits, please feel free to tell us anything with respect to your work history, current work experience, and future concerns about late life transition that you would like to share with us.

### **Exit:**

Thank you very much for participating in this interview research project. Your participation will be a very important source for our research project's progress!